



Sustainable Investment and Climate Report

2025

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About TD Asset Management

TD Asset Management Inc. (TDAM) is a leading asset manager in Canada which directs approximately \$484.2 billion in assets under management (AUM) on behalf of retail and institutional investors as of October 31, 2025.¹ TDAM offers a diversified suite of investment solutions to corporations, pension funds, endowments and foundations. Additionally, TDAM manages assets on behalf of retail investors through affiliated and third-party dealers and offers a broadly diversified suite of investment solutions, including mutual funds, exchange-traded funds, private markets investments and professionally managed portfolios.

¹ All figures in this report are in CAD unless otherwise stated.

About This Report

This report provides an annual review of TDAM's sustainable investment practices, progress and priorities for the reporting period from November 1, 2024 to October 31, 2025. This report starts by setting out TDAM's 2025 highlights and the priorities that were established during that period to help guide our stewardship and integration efforts. A brief overview of TDAM's sustainability approach is then provided, noting our performance according to industry benchmarks, specifically the Principles for Responsible Investment (PRI)² and the Global Real Estate Sustainability Benchmark (GRESB). The report then outlines TDAM's stewardship and integration efforts, providing quantitative metrics that help demonstrate our work and principles, as well as case studies that aim to provide some examples of how we integrated environmental, social and governance (ESG) factors for applicable types of investments. This report also provides an overview of our ESG-focused funds and thought leadership pieces that were published during the 2025 reporting period. The report concludes with a near-term outlook on what is to come. The appendix to this report features TDAM's 2025 Climate Report, which documents our continued efforts towards implementing the recommendations set by the Task Force on Climate-Related Financial disclosure (TCFD) within the Financial Stability Board (FSB), an international body which monitors and makes recommendations about the global financial system. This report provides information about TDAM's approach and progress in moving our sustainable investing work forward.

Scope

This report describes TDAM's sustainable investment practices. All information contained in this report is specific to TDAM, unless otherwise noted. This report does not contain information related to Epoch Investment Partners, Inc. (TD Epoch), TDAM's affiliated registered investment advisor in the United States (U.S.). While there is broad alignment across TD Bank Group (TD)³ regarding climate risks and opportunities, TDAM's approach to managing climate-related risks and opportunities in the investment solutions it manages, as applicable, is separate from that of TD's firm-wide management of climate-related risks, and is considered with a fiduciary lens which may differ for a variety of reasons from the approach taken by TD.

All numbers and figures reflected in this report are for the reporting period from November 1, 2024 to October 31, 2025. The majority of the qualitative information also covers the same period, except as otherwise indicated.

References to integration or incorporation of ESG factors in this report exclude certain strategies and asset classes, including, but not limited to, index-tracking funds.

This report is being provided for informational purposes only and not to promote, either directly or indirectly, a business interest.

² The Principles for Responsible Investment is a United Nations-supported international network of financial institutions that promotes responsible investments.

³ TD Bank Group means The Toronto-Dominion Bank and its affiliates, who provide deposit, investment, loan, securities, trust, insurance and other products or services. TD Asset Management Inc. is a member of TD Bank Group and is a wholly-owned subsidiary of The Toronto-Dominion Bank. Throughout this report, "TD" refers to TD Bank Group.

Leadership Message – May 2026

David Sykes

Chief Executive Officer of TD Asset Management Inc. and TD Epoch, Executive Vice President of TD Bank Group

We believe it is important to take material ESG factors into account; be good stewards of the assets that our clients have entrusted with us; and strive to be at the leading edge of investment analysis through research and thought leadership. TDAM's 2025 Sustainable Investment report outlines why and what we do in this area and how we continue to evolve.

Justin Flowerday

Senior Vice President and Chief Investment Officer, TD Asset Management Inc.

Considering material ESG factors in investments is ultimately about sharpening the understanding of risk and opportunity. Analyzing ESG at the security level and thematic level deepens qualitative and quantitative insights behind investment research and conviction. Investing isn't about a single lens – it's using multidimensional tools to help build more resilient and future-aligned portfolios.

Priti Shokeen

Managing Director, Head of Sustainable Investment, TD Asset Management Inc.

Sustainable investing is not just about mitigating risks – it's about capturing investment opportunities. Our clients want portfolios that perform today and endure tomorrow. By combining material sustainability considerations in our investment process with a rigorous stewardship program, we seek to manage risks related to energy transition, physical impacts, as well as social and governance factors while striving to position our portfolios to capture growth opportunities.

2025 Achievements and Highlights

TDAM continues to refine the resources and capabilities that it considers necessary to help deliver on its investment objectives. The following highlights TDAM's key achievements in 2025, with greater details provided throughout this report.

- TDAM received 4 stars on the 2025 Principles for Responsible Investment (PRI) Assessment - Policy Governance and Strategy module⁴

Stewardship:

- **449** ESG-focused engagements were conducted with 184 portfolio entities⁵
- **35,434** management and shareholder proposals were voted during the 2024-2025 proxy year⁶
- TDAM joined the PRI Sovereign Engagement program as part of our fixed income stewardship activities⁷
- TDAM's Head of Sustainable Investment was elected to serve as a member of the International Corporate Governance Network's Board of Governors

ESG Integration:

- **97%** of active equity investment funds managed by TDAM were rated as being in line with or better than their corresponding benchmarks based on the MSCI ESG Quality Rating⁸
- The TD Greystone Mortgage Strategy was ranked **#1** among North American participants in the GRESB lender assessment⁹
- **75%** of the TD Greystone Infrastructure Strategy was invested in energy transition¹⁰

⁴ Source: PRI. Refer to the "TDAM PRI Assessment - 2025" section for more details.

⁵ Source: TDAM. Refer to the "Investment Stewardship – Engagement" section for more details.

⁶ Source: TDAM, ISS. Refer to the "Investment Stewardship – Proxy Voting" section for more details.

⁷ Refer to "Investment Stewardship - Policy Engagement and Advocacy" for more details.

⁸ Source: TDAM, MSCI (Morgan Stanley Capital International). As of September 30, 2025. MSCI ESG Quality Rating data is provided by MSCI. The MSCI ESG Quality Rating measures the ability of underlying holdings to manage key medium-term to long-term risks and opportunities arising from ESG factors. The MSCI ESG Quality Rating is calculated using the fund weighted average ESG score adjusted for ESG rating trends and laggards.

⁹ Source: GRESB. Refer to the "TDAM GRESB Assessment – 2025" section for more details.

¹⁰ Source: TDAM. As of September 30, 2025. Refer to the "ESG Integration – Global Infrastructure" section for more details.

TDAM PRI Assessment – 2025

TDAM became a signatory to the PRI in 2008 and was among one of the first Canadian bank-owned asset managers to do so.¹¹

The PRI assessment is a scorecard report provided to signatories of the PRI, based on the reporting of their responsible investment activity throughout the preceding year. The reporting helps facilitate the accountability of both the PRI and its signatories. It supports signatories in meeting their commitments to the six Principles for Responsible Investment, enhances learning and development by evaluating investment practices, and provides signatories with a tool to showcase their leadership to stakeholders.

TDAM has adopted a biennial submission approach for its PRI reporting process. In 2025, TDAM received its PRI assessment for responsible investment activities in 2024, which was largely consistent with its 2023 PRI assessment results and showed stable scores across most modules. Several modules improved due to stronger processes and disclosures. The assessment also identified opportunities to further align with evolving industry expectations.

¹¹ PRI Signatory Directory: <https://www.unpri.org/signatories/signatory-resources/signatory-directory>

A summary of TDAM's 2025 PRI assessment scorecard is provided below. It highlights the modules for which TDAM received an assessment.

Figure 1: TDAM PRI Assessment Summary¹²

			Module Scores (out of 100)					
Module Name		Star Score	TDAM 2025	TDAM 2023	TDAM 2021	PRI 2025 Median	Assets Under Management	
Policy Governance and Strategy		★ ★ ★ ★ ☆	90	89	68	66	–	
Direct – Listed equity	Active fundamental	★ ★ ★ ★ ☆	89	81	69	78	10-50%	
	Active quantitative	★ ★ ★ ★ ☆	82	86	61	76	< 10%	
	Other ¹³	★ ★ ★ ★ ☆	76	N/A	N/A	61	< 10%	
	Passive equity	★ ★ ★ ★ ☆	56	71	49	56	10-50%	
Direct – Fixed income	Sovereign, Supranational and Agency Debt	★ ★ ★ ★ ☆	96	96	81	70	10-50%	
	Corporate	★ ★ ★ ★ ☆	98	98	78	75	10-50%	
	Securitized	★ ★ ★ ★ ☆	96	96	N/A	73	< 10%	
	Private debt	★ ★ ★ ★ ☆	89	89	90	76	< 10%	
Direct - Infrastructure		★ ★ ★ ★ ☆	96	93	75	88	< 10%	
Direct - Real estate		★ ★ ★ ★ ☆	97	97	98	72	< 10%	
Indirect - Listed equity - Active		★ ★ ★ ★ ☆	79	92	16	66	< 10%	
Confidence building measures		★ ★ ★ ★ ☆	76	80	N/A	80	–	

Source: PRI, as of November 24, 2025.

¹² As there were no material changes to our Sustainable Investing strategy and practices in 2023 and given the fact that the 2024 reporting was voluntary for PRI signatories who reported in 2023, TDAM decided to not to report in 2024.

¹³ Direct-Listed Equity Other include active strategies that combine active quant and active fundamental strategies and do not fit within other Direct-Listed Equity categories defined by PRI.

The modules are scored with a numerical grading system ranging from one to five stars. The lowest possible grade is one star, allocated to those whose responsible investment behaviour is at the lower end of what is expected from signatories. The highest score is five stars and awarded to those signatories who demonstrate practices that are on the higher end of what is expected from signatories.

The 2024 responsible investment activities underlying these scores can be found in TDAM's 2025 PRI Transparency Report, available on the PRI data portal. A copy of our full assessment report is available upon request. More information about PRI and PRI reporting can be found on PRI's website [here >](#).

PRI

TDAM GRESB Assessment – 2025

GRESB is an industry-driven organization - supported by investors, managers and the financial industry - that is committed to assessing the sustainability performance of real assets around the globe. It provides a consistent methodology and framework for measuring ESG performance along with actionable insights and benchmark data. It is used by institutional investors to engage with their investees and investments with the aim of improving the sustainability performance of their portfolios and the global real assets sector at large.¹⁴ The GRESB assessment has served as a valuable tool for TDAM, not only to provide sector-based benchmarking but also to support us in strengthening our governance and accountability processes over time, as practices evolve.

In 2025, the TD Greystone Mortgage Strategy was invited to participate in the inaugural GRESB lender assessment. This Strategy ranked as the top performer among North American participants with a score of 73 out of 100, outperforming both global and peer averages.

The TD Greystone Canadian Real Estate Strategy's¹⁵ standing investments and the TD Greystone Infrastructure Strategy¹⁶ increased their GRESB scores over the previous year. Both strategies also maintained scores at or above the global average for their respective assessments. TDAM also improved its GRESB score for the TD Greystone Global Real Estate Strategy¹⁷, as evaluated using GRESB's Portfolio Analysis Tool^{18,19}. More discussion regarding this progress can be found in the **ESG Integration – Private Markets Investments section >** of this report.

¹⁴ Source: GRESB, <https://www.gresb.com/>

¹⁵ TD Greystone Canadian Real Estate Strategy refers to TD Greystone Real Estate L.P. Fund and TD Greystone Real Estate Fund Inc.

¹⁶ TD Greystone Infrastructure Strategy refers to TD Greystone Infrastructure Fund (Canada) L.P., TD Greystone Infrastructure Fund (Canada) L.P. II, and TD Greystone Infrastructure Fund (Global Master) LP.

¹⁷ TD Greystone Global Real Estate Strategy refers to TD Greystone Global Real Estate Fund L.P. and TD Greystone Global Real Estate Fund (Canada Feeder) L.P.

¹⁸ The GRESB Portfolio Analysis Tool allows investors to examine the performance of an aggregate portfolio against self-selected benchmarks to gain valuable insight into investments, strategy and overall ESG performance. TDAM utilizes a Gross Asset Value (GAV)-weighted portfolio analysis methodology to assess the ESG performance of each of its fund managers within TD Greystone Global Real Estate Fund (currently covering over 80% of the fund's holdings, it could be seen as a representative evaluation of the Fund's ESG performance).

¹⁹ Source: 2025 GRESB Real Estate Benchmark Report, 2025 GRESB Infrastructure Fund Benchmark Report, 2025 GRESB Portfolio Analysis Report. A copy of full assessment report is available upon request.

Figure 2: TDAM GRESB Assessment Summary

GRESB Score	2021	2022	2023	2024	2025	2025 GRESB Global Average
Real Estate Assessment						
TD Greystone Canadian Real Estate Strategy – Standing Investment	73	80	75	84	86	79
TD Greystone Canadian Real Estate Strategy – Development	79	81	82	84	85	88
TD Greystone Global Real Estate Strategy – Standing Investment	82	84	86	83	85	81
Infrastructure Assessment						
TD Greystone Infrastructure Strategy	85	87	87	89	94	91
Lender Assessment						
TD Greystone Mortgage Strategy	–	–	–	–	73	62

Find more information regarding GRESB, and the methodology behind these scores, please visit the [GRESB website >](#).

GRESB

TDAM Sustainable Investment Approach and Governance

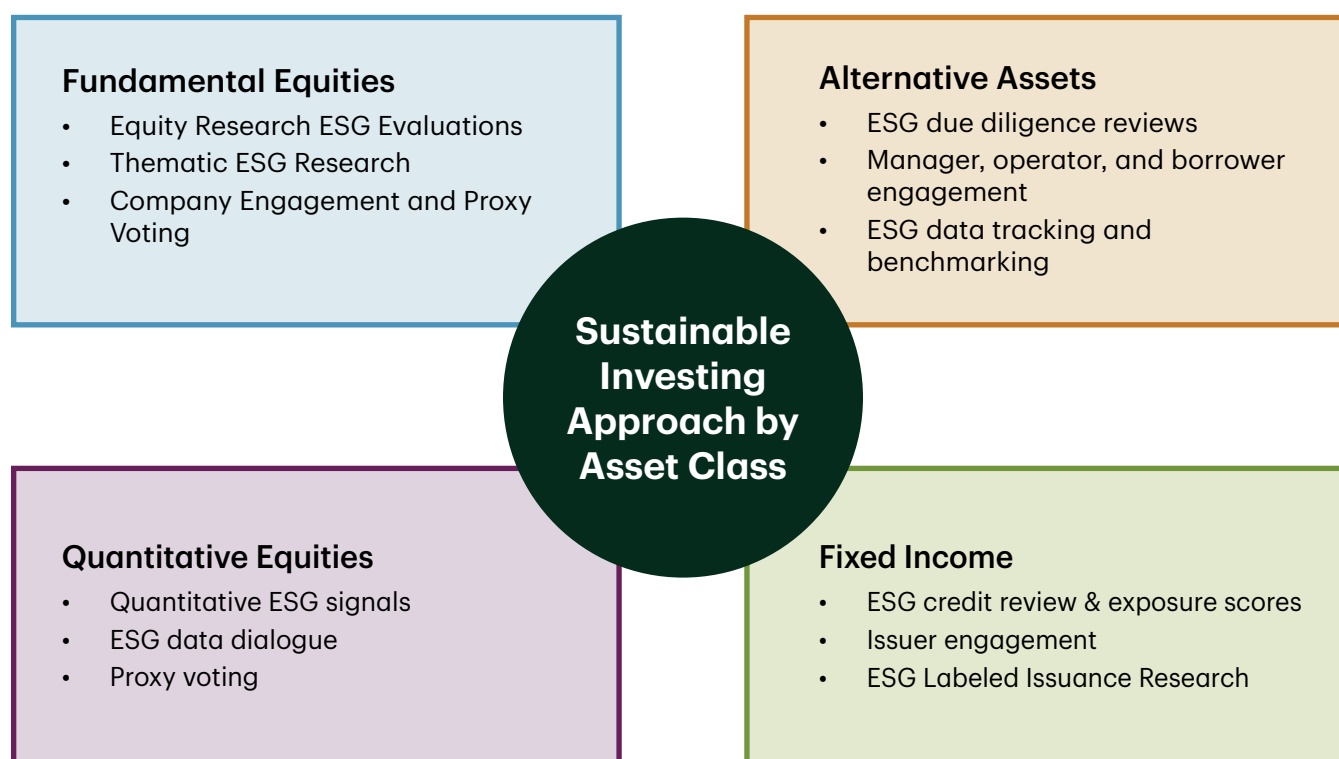
Sustainable investing is an approach to investing that considers material ESG factors²⁰ within the investment decision-making process of a fund as well as TDAM's firm-level stewardship activities. TDAM's approach to sustainable investing aligns with its philosophy of serving its securityholders' investment goals while adhering to its fiduciary duty as an asset manager. Incorporating material ESG factors within the overall investment framework and for applicable investments is one of the ways in which we further TDAM's goal of seeking to provide strong risk-adjusted returns.

TDAM strives to be an active owner by engaging with investees and leveraging its investor rights with the aim of improving long-term risk-adjusted returns.

TDAM has been a signatory to the PRI since July 2008. Our Sustainable Investing Approach is aligned with the six principles set out in the PRI, and is grounded in the following four pillars:

- ESG Integration²¹
- Stewardship (Engagement and Proxy Voting)²²
- Thought Leadership
- Client-Driven ESG solutions

Figure 3: TDAM Sustainable Investment Approach by Asset Class



Source: TDAM. As of October 31, 2025.

²⁰ An ESG factor is any qualitative or quantitative information pertaining to ESG topics. Financially material ESG factors are those ESG factors which may have a meaningful impact on a company's performance.

²¹ ESG integration: Ongoing consideration of ESG factors within an investment analysis and decision-making process with the aim to improve risk-adjusted returns. Source: Definitions for Responsible Investment Approaches, CFA Institute, Global Sustainable Investment Alliance, and Principles for Responsible Investment, <https://rpc.cfainstitute.org/research/reports/2023/definitions-for-responsible-investment-approaches>

²² Stewardship means the use of investor rights and influence to protect and enhance overall long-term value for clients and beneficiaries, including the common economic, social and environmental assets on which their interests depend. Source: Definitions for Responsible Investment Approaches, CFA Institute, Global Sustainable Investment Alliance, and Principles for Responsible Investment, <https://rpc.cfainstitute.org/research/reports/2023/definitions-for-responsible-investment-approaches>

TDAM Sustainable Investment Governance Structure

TDAM's Sustainable Investment approach is informed by its ESG Integration Policy and Stewardship Policy. These policies outline how material ESG factors are considered as part of its investment processes and stewardship activities. By adhering to these policies, TDAM strives to ensure that its strategies and practices remain aligned with its commitment to responsible investing and its objective to achieve long-term, risk-adjusted returns.

Governance of sustainable investment starts with TDAM's Chief Executive Officer (CEO), who is responsible for establishing and maintaining progress on TDAM's overall strategic priorities.

TDAM's CIO and the Head of Sustainable Investment have executive accountability for ESG within the firm's investment function as part of their broader sustainable investment responsibilities. The components of TDAM's sustainable investment governance are further described below.

TDAM's Sustainable Investment Committee

TDAM has a dedicated Sustainable Investment Committee that oversees the firm's overall sustainable investment strategy and integration efforts. The committee facilitates discussion regarding ESG issues, engagements, and policy direction. The Sustainable Investment Committee includes members of the investment management, external distribution, and investment risk teams. The Sustainable Investment Committee meets on a quarterly basis or more frequently, as necessary. Items that require additional discussion are escalated to TDAM's Operating Committee and TDAM's Risk Committee.

The Sustainable Investment Committee strives to ensure that TDAM's sustainable investment approach is implemented in accordance with the applicable mandate(s) and is clearly communicated across the business. The work of the Sustainable Investment Committee is communicated to senior management, including the CEO, CIO and portfolio managers, all of whom serve critical roles in addressing sustainability-related risks and opportunities across the firm and within applicable portfolios that TDAM manages.

The purpose of TDAM's Sustainable Investment Committee is to:

- Establish TDAM's sustainable investment approach, policies, objectives and commitments to applicable strategies
- Provide advice and oversight of TDAM's sustainable investment approach and policies
- Define sustainable investment objectives for the firm, track progress and monitor effectiveness of stated approaches and commitments
- Act as a liaison with TD to align, as appropriate, with TD's ESG policies, given TDAM's fiduciary responsibility to its clients and its investment obligations and objectives

The Sustainable Investment Committee has sub-committees that oversee the workings of underlying functions where relevant, such as the Proxy Voting Sub-Committee and the Private Markets Sustainable Investment Committee. The Sustainable Investment Committee supports the creation of working groups on different areas of implementation on an as-needed basis. The Sustainable Investment Committee is chaired by the Head of Sustainable Investment, with the CIO as an ex officio member.

Proxy Voting Sub-Committee

Proxy voting at TDAM is overseen and governed by a dedicated Proxy Voting Sub-Committee. The Proxy Voting Sub-Committee is responsible for reviewing and approving TDAM's Proxy Voting Guidelines and its custom voting instructions on ESG issues, identifying key or emerging proxy issues, and deliberating and deciding on any deviations from or overrides of the firm's vote recommendations. The Proxy Voting Sub-Committee is comprised of members from TDAM's public equities and sustainable investment teams, including the CIO, Head of Public Equities and Head of Sustainable Investment.

Private Markets Sustainable Investment Committee

TDAM's Private Markets Sustainable Investment Committee acts as a sub-committee of the TDAM Sustainable Investment Committee, creating an approach that is tailored for private markets and real assets, including real estate, infrastructure, mortgages and private debt. The mandate of the committee is to:

- Provide advice and oversight of TDAM's sustainable investment approach for private market investments, including strategies, policies, objectives and commitments
- Define and approve ESG priorities for private market assets
- Track progress and monitor effectiveness of stated objectives and commitments.
- Review and approve updates that are provided on an as-needed basis to the TDAM Sustainable Investment Committee, which the Private Markets Sustainable Investment Committee reports into.
- Act as a decision-making body for significant initiatives and budgetary approvals related to ESG for private market investments

TDAM Sustainable Investment Team

TDAM's Sustainable Investment team's mandate includes:

ESG Integration

- Help inform the process to integrate the consideration of ESG factors across asset classes, collaborating with investment teams to develop robust frameworks and guidelines
- Provide expertise on ESG-related research and analysis and conduct knowledge-sharing sessions with various teams throughout the firm
- Provide insights into company-specific sustainability performance, helping to broaden the lens through which we conduct research and make investment decisions

Investment Stewardship

- Lead the TDAM Stewardship Program through engagements and proxy voting
- Direct the firm's ESG-focused engagement initiatives across asset classes, including discussions with material holdings and targeted dialogues with companies deemed to have material ESG risks and opportunities
- Oversee TDAM's proxy voting activities, which includes ensuring that Proxy Voting Guidelines remain relevant given the evolving market dynamics and internally agreed upon principles; deliver research and recommendations for ESG-related proxy votes

Thought Leadership

- Lead the firm's ESG-focused investment research and publications, often working with colleagues from other investment teams

Client-Driven ESG Solutions

- Collaborate and advise on the development of proposed ESG-focused solutions that respond to client demand

Investment Stewardship

TDAM takes an active stewardship approach across its investments, including engagement with portfolio entities and proxy voting. Stewardship practices are implemented as part of TDAM's overall firm-level aggregated process and serves as an effective mechanism to communicate with a company's board and management on material issues, which may include ESG-related issues.

Our stewardship activities span an array of entities, including listed equity issuers, asset managers (such as property managers in direct real estate portfolios), borrowers in private debt and mortgage portfolios, as well as listed and unlisted corporate and non-corporate debt issuers.

Engagement

TDAM's investment teams regularly meet with investee company management and boards to discuss a broad range of topics, including, but not limited to, business strategy, risk management, financial and non-financial performance and risk, capital allocation and capital structure, along with encouraging disclosures around ESG issues.²³ The depth of ESG discussions varies by engagement. Below are the four main avenues through which engagements are initiated:

- By the research analyst or portfolio manager
- Stemming from the Sustainable Investment team's focus areas
- As requested by an entity after the release of its sustainability report or before a proxy vote at its annual meeting of shareholders
- Through an industry initiative - see [Policy Engagement and Advocacy >](#) and [TDAM Industry Memberships sections >](#) for more details

Each avenue provides valuable insight into an entity's business dynamics and the impacts of material ESG issues. The objective of each avenue may differ depending on the materiality and importance of the ESG topics covered. Typically, the research analyst and/or portfolio managers may bring up an ESG topic which, in their view, may have an immediate or long-term impact on the firm. Such engagements typically cover a number of financial issues, including ESG.

TDAM's Sustainable Investment team manages the firm-wide ESG-related stewardship activities and ESG-focused engagements. The perspectives garnered from these engagement meetings are shared across relevant investment teams. Engagements often focus on receiving context and company perspectives on particular sustainability issues that have the potential to become financially material. Engagements also provide TDAM with an opportunity to share its viewpoints on sustainability matters and/or to encourage areas of potential advancement. TDAM's Sustainable Investment team typically focuses on longer time horizons for specific investment-related sustainability issues.

²³ While we strive to encourage positive change through our engagement efforts, outcomes may vary. If a company fails to meet expectations following our engagement efforts, escalation procedures may be initiated as outlined in the Investment Stewardship - Escalation Process section.

Industry Initiatives Explained

TDAM is part of industry initiatives, which allows us to have a voice at the table in their respective forums and provides us with valuable information. Membership in, or support of, various industry groups does not mean that TDAM supports every position taken by these organizations or their other members. As a fiduciary professionally managing assets on behalf of its clients, TDAM maintains independent decision-making as it relates to its investment decision-making processes and proxy voting activities.

Sustainability-focused Engagements by Investment Teams

Engagements are typically conducted by various TDAM investment management teams and in general represent a collaborative effort across such teams.

Engagements by the Sustainable Investment Team

The Sustainable Investment team, in its role of managing the firm-wide ESG-related stewardship activities, acts as TDAM's point-of-contact for inbound sustainability-focused engagement requests from portfolio companies. Such inbound engagements are generally initiated by the portfolio company, with the goal of discussing a specific ESG or proxy voting-related matter.

Year-round, the Sustainable Investment team may also initiate ad-hoc engagement meetings, individually or in collaboration with other investment management team(s). A subset of these outbound engagements is the result of TDAM's dedicated sustainability engagement program with focus areas outlined below. As part of TDAM's stewardship efforts, the Sustainable Investment team has established, and actively maintains, focus areas for engagement across active and passive public market portfolios to plan and prioritize TDAM's sustainability-focused engagement efforts. The goal of such engagements is to initiate and conduct multi-year engagements with select companies based on a combination of factors, including investment exposure, lagging indicators for material ESG factors, or exposure to systemic issues. Our efforts reflect an opportunity for TDAM to try and effect meaningful improvements through deep engagement over a number of years.

In 2025, TDAM had six focus areas for engagement:

- i. tactical ESG engagement opportunities;
- ii. corporate governance and executive compensation;
- iii. climate change;
- iv. human capital;
- v. human rights; and
- vi. biodiversity.

This yielded engagement with approximately 50 entities, with some changes throughout the year due to factors such as exposure adjustments and company mergers and acquisitions.

Engagements by the Fundamental Equity Research Team

TDAM’s Fundamental Equity Research team uses its in-depth research to prioritize engagement efforts. Sector analysts regularly meet with companies about their business structure, strategic direction, risk management, cost drivers and revenue prospects. Material ESG issues are integrated into these discussions to further inform investment evaluations. If an ESG risk is considered material, TDAM’s Fundamental Equity Research team will consider the risk/reward payoff, given its primary goal of generating returns for clients that outperform applicable benchmarks.

Engagements by the Credit Research Team

TDAM’s Credit Research team evaluates material ESG factors as part of a comprehensive credit review process for both corporate and government issuers. Each sector analyst focuses on the potential short-term and long-term risks associated with ESG factors, and the possible impact they could have on TDAM’s internal credit rating. The TDAM Credit Research team regularly meets with issuers to consider potential investment. Discussion of ESG dynamics is a component of these engagements, with credit analysts elevating inquiries into ESG issues that might have a material impact on our internal credit ratings.

Engagements by the Private Markets Team

Across TDAM’s private market strategies, we regularly engage with property and asset management partners, operating teams and borrowers on material ESG topics. Engagement occurs through a range of tailored approaches for each strategy.

For Canadian real estate, this includes quarterly meetings and annual sustainability reviews with property managers, supported by manager-specific scorecards to track key performance indicators and identify opportunities for improvement. The TDAM Global Real Estate team also engages with its fund managers on an annual basis to discuss ESG performance and strategy. For infrastructure assets, engagement on ESG matters includes quarterly board meetings, annual GRESB reviews, and focused discussions on ESG-related topics such as regulatory policy changes or strategic initiatives.

For mortgages, TDAM uses survey tools to support engagement: the annual ESG borrower survey aims to monitor the sustainability attributes of the borrower, including their governance approach, policies and targets. The annual ESG property survey is used to collect information on the underlying assets, including energy efficiency measures, green building certifications, environmental audits and assessment of climate risks. The Private Debt Origination and Research team conducts due diligence and may engage with issuer management teams to understand the relevant factors used to fully assess each credit rating, including how issuers address material ESG exposures. These touchpoints allow TDAM to evaluate priority issues, such as decarbonization, health and safety, and climate resilience, while strengthening risk management, identifying opportunities for value creation, and supporting the adoption of best practices across private markets portfolios.

Figure 4: ESG Engagement Meetings by Investment Teams

	Meetings
Sustainable Investment Team	62
Fundamental Equity Research Team	132
Credit Research Team	20
Private Markets Team	34
Total	248

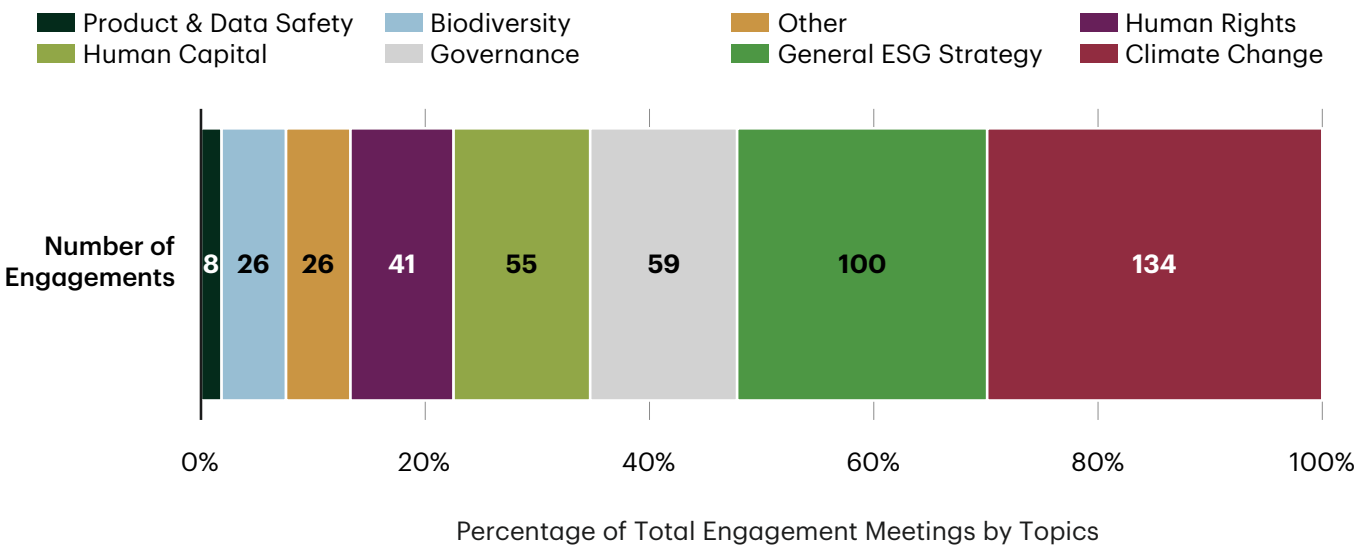
Source: TDAM. As of October 31, 2025.

Additional engagement case studies can be found in the [Key Areas of Focus >](#) and [ESG Integration sections >](#).

2025 ESG Engagement Activities

In 2025, TDAM had 449 ESG engagements²⁴ with portfolio entities (compared to 455 in 2024²⁵), conducted within 248 distinct meetings (compared to 240 in 2024). These engagements were with 184 entities (compared to 202 in 2024) and covered a variety of topics, including climate change, governance, and human capital. We also engaged with management teams about their general approach to sustainability, performance metrics and reporting, and the prospect of evolving regulation around sustainability disclosures. The issues discussed in each engagement meeting depended on the information we see as most pertinent to understanding company risks and direction.

Figure 5: Engagements by Topic



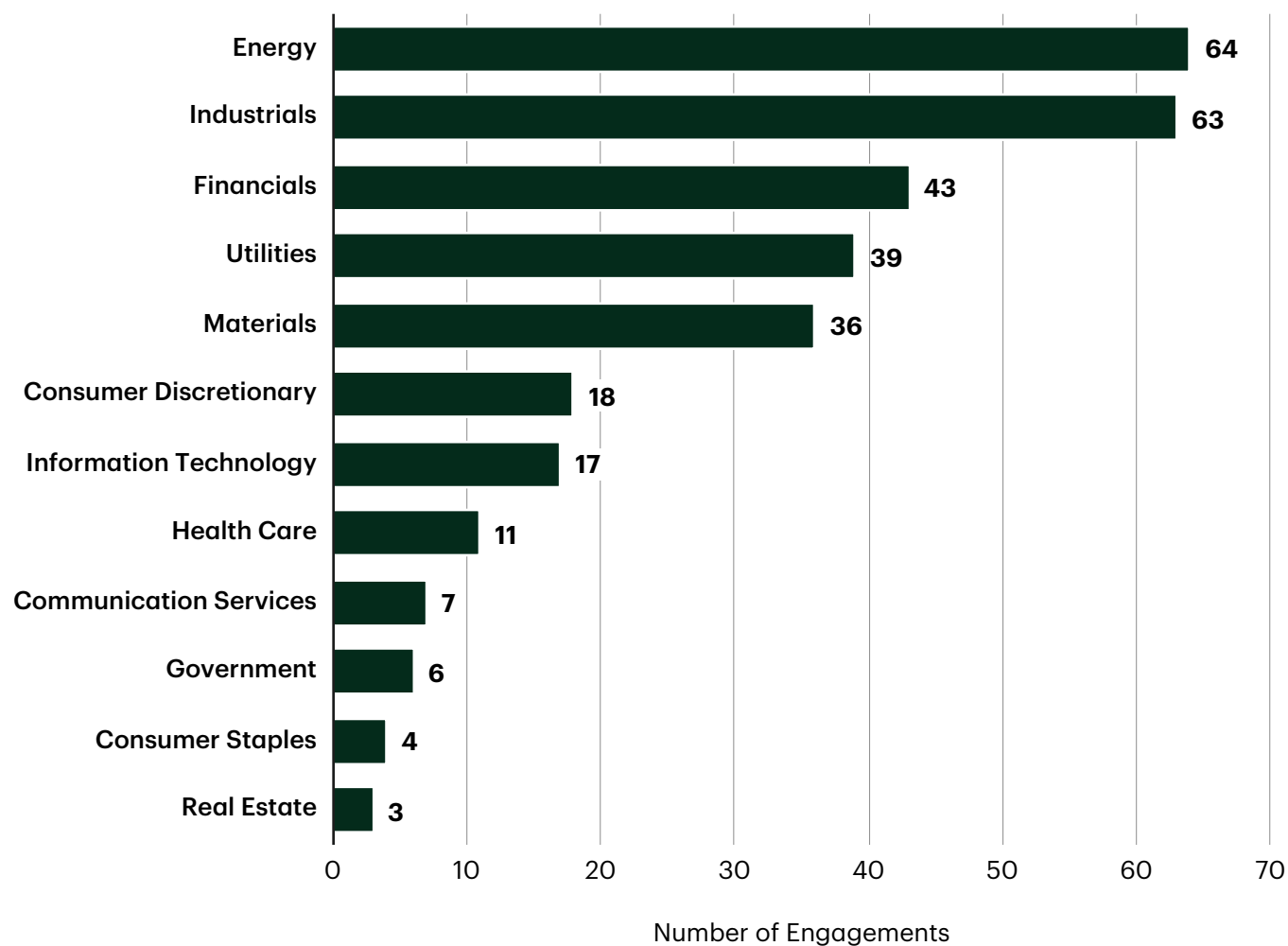
Source: TDAM. As of October 31, 2025.

Engagement

²⁴ An engagement in this context is considered a direct interaction with the management of the company through meetings and/or written dialogues regarding certain ESG-related topics. One meeting with a company can include multiple topic engagements. Moreover, we may have multiple meetings with a company in any given year where warranted.

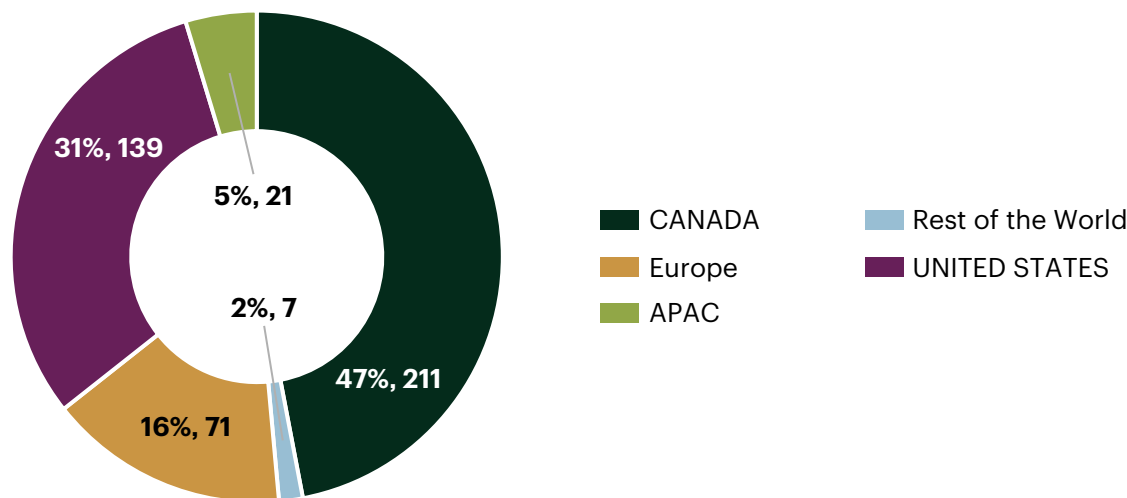
²⁵ The frequency and number of engagements can vary from year to year depending on a number of factors, including, but not limited to, progress made by target companies, our coverage in terms of portfolio composition, materiality of ESG issues, and trends in the market.

Figure 6: Engagements by Sector²⁶



Source: TDAM. As of October 31, 2025.

Figure 7: Engagements by Region



Source: TDAM. As of October 31, 2025.

²⁶ Engagements are grouped by Global Industry Classification Standard (GICS) categories and include only those with public entities or issuers; engagements conducted by the Private Markets team are excluded.

Proxy Voting

Our Sustainable Investment teams and investment research teams conduct reviews of key proposals to help support portfolio management voting decisions to ensure we continue to uphold the best interests of our clients.

We provide further transparency about our stewardship efforts with the publication of our Proxy Voting Guidelines, Annual Proxy Voting Reviews and near real-time disclosure of TDAM's proxy voting history on the TDAM Sustainable Investment website.

TDAM's Proxy Voting Guidelines set forth our expectations of investee companies when it comes to governance practices and the management of environmental and social risks. The guidelines aim to provide transparency about how TDAM may vote on key items and emerging issues and is reviewed annually to update TDAM's policy position as appropriate.

2025 Proxy Year Activities

This proxy season²⁷ followed several regulatory changes and market activities globally that impacted the number of proposals seen at company annual meetings. We saw heightened levels of shareholder proposals in regions outside North America, particularly in Japan where corporate governance reforms continue to be a priority. A shifting governance landscape in the U.S. contributed to a drop in shareholder proposals, especially on environmental and social topics. More details on these developments are provided throughout this review.

TDAM continues to adhere to our proxy voting guidelines, with no substantial changes to those guidelines for the 2024-2025 season. While our voting principles remain the same, we enhanced our published proxy voting guidelines by adding information on our approach to assessing proposals about biodiversity risks, as we continue to see newer types of proposals in this space.

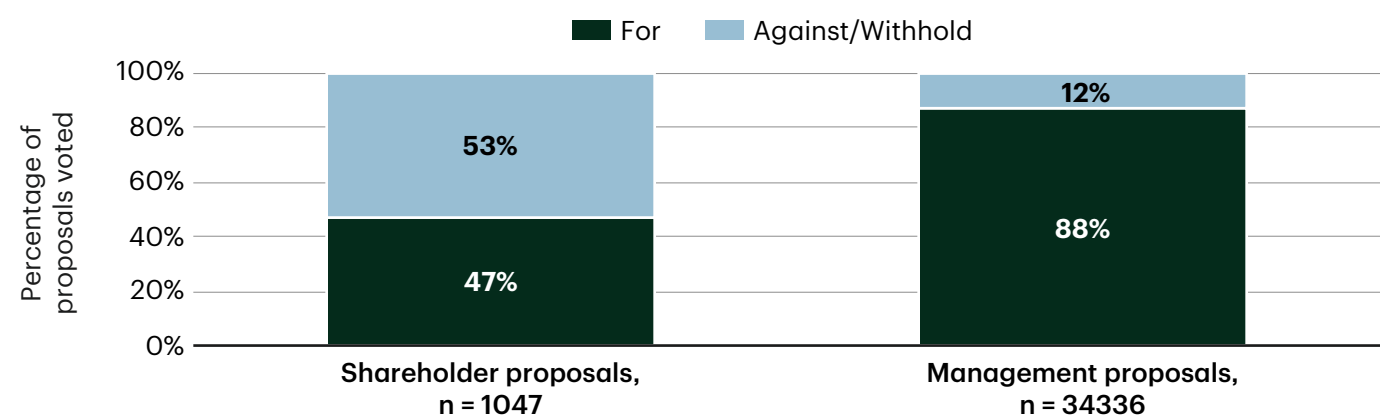
In summary,

- For the 2024-2025 proxy year, TDAM voted a total of 35,434 management and shareholder proposals. Across these proposals, TDAM voted against 12% of management proposals and 53% of shareholder proposals.
- TDAM voted on a total of 1,047 shareholder proposals and supported 47% of them (497 shareholder proposals), including 111 proposals focused on social issues, 72 focused on environmental issues, and 313 proposals focused on governance issues, with one proposal not explicitly falling within ESG categories.
- With respect to the election of directors, TDAM withheld support from directors on many key areas related to board composition. These areas include, but are not limited to, board-level and committee level independence, diversity, tenure, director commitments and other areas where we believe board composition and structure may not be aligned with the principles outlined in TDAM's Proxy Voting Guidelines.
- Beyond board composition, we also withheld votes on directors due to specific concerns about executive compensation, alongside our votes against the Management Say-on-Pay proposals, and in cases where there are multi-class share structures with uneven voting rights in certain markets.

For more information, please refer to the TDAM 2025 Proxy Voting Review on our website.

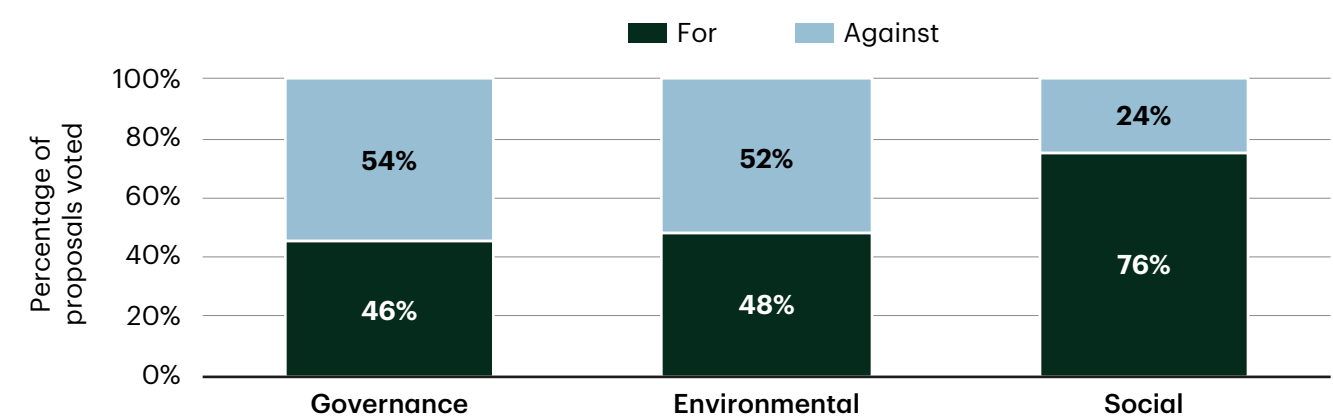
²⁷ This section provides a comprehensive overview of proxy voting activities and trends across all public equity portfolios managed by TDAM in the U.S., Canada and international markets. It pertains to proxy year 2024-2025, covering votes held at company meetings between July 1, 2024 to June 30, 2025.

Figure 8: TDAM Vote Instructions on Shareholder Proposal - 2025 Proxy Year



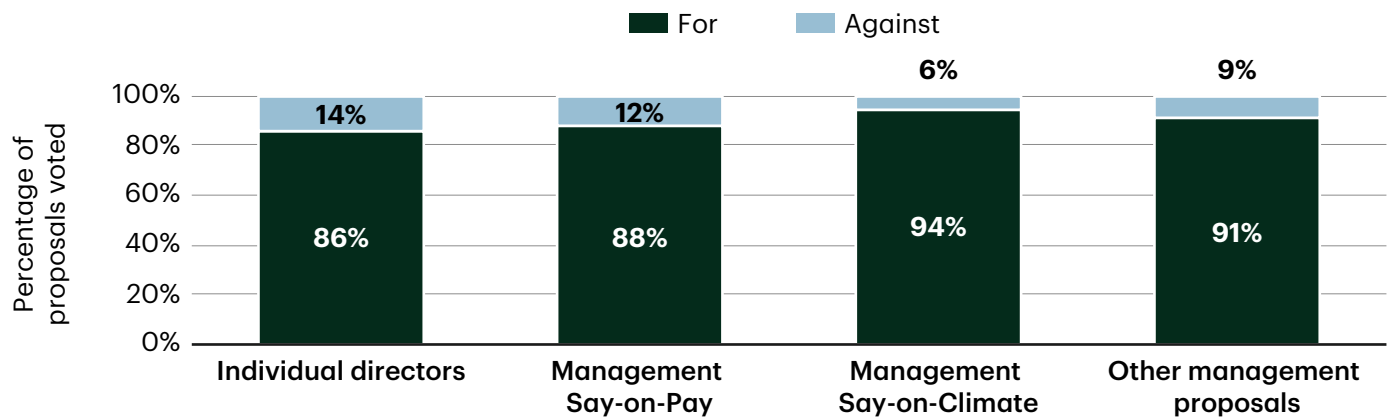
Source: Institutional Shareholder Services (ISS), TDAM. From July 1, 2024 to June 30, 2025.

Figure 9: Shareholder Proposal Voted - Overview



Source: ISS, TDAM. From July 1, 2024 to June 30, 2025.

Figure 10: Management Proposals Voted - Overview

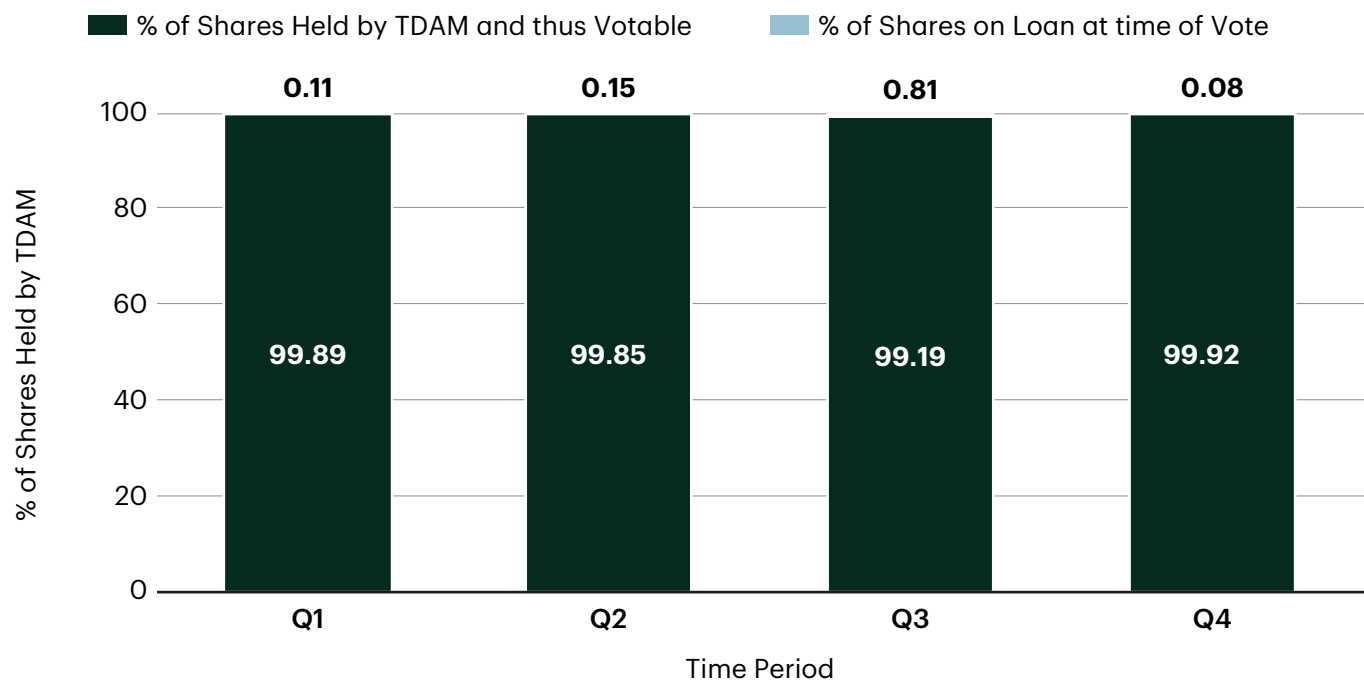


Source: ISS, TDAM. From July 1, 2024 to June 30, 2025.

Shares on Loan

TDAM has automated standing instructions in place to recall loaned shares from the firm’s security lending program for a short period ahead of a company’s annual meeting when proxy proposals are up for vote. This measure helps to further advance our views on pertinent matters, including sustainability across applicable types of investments and investment strategies. We provide a quarterly comparison below of the voting exercised within TDAM’s portfolios.

Figure 11: TDAM Share Recall Metrics in 2025



Source: ISS, TDAM. January 1, 2024, to December 31, 2025.

Escalation Process

TDAM’s Sustainable Investment Committee has formally adopted an escalation process where, on an as-needed basis, the Sustainable Investment team and other investment team members may escalate items. The escalation process has multiple steps, including further engagement (individually or via industry groups), adverse proxy votes where appropriate, potential filing of shareholder resolutions, and for active mandates, the potential for reduced exposure should other escalation strategies fail to achieve results and the relevant portfolio manager deems the issue to negatively change the risk and return profile of the asset.

Policy Engagement and Advocacy

Companies and investors operate according to ground rules set by regulations and policies. On many sustainability issues, effective policies can enable market mechanisms by providing incentives or guardrails. Policymakers and standard setters have the ability to shape the markets in which TDAM invests as well as the rules and regulations which may govern TDAM and the companies in which it chooses to invest in. Public policy advocacy is also integral to the improved resilience of various financial systems as well as the mitigation of systemic risks. To this end, we occasionally engage with policymakers, such as regulators and standard setters, as they develop and refine the standards used to measure, manage and report on ESG matters.

Example of Policy Engagements in 2025

Finance Montreal: Biodiversity and the Financial Sector

We continue to further our awareness of biodiversity risks within our portfolios and will remain attentive to industry developments that advance investor awareness around these risks. In this regard, Finance Montreal and partnering organizations led a series of working groups aimed to advance the discussion of biodiversity risks in the financial sector. The initiative sought to bring together key industry stakeholders to lend perspectives that would help evaluate the financial sector's progress in integrating biodiversity and in identifying strengths, weaknesses, barriers and drivers affecting further biodiversity considerations. TDAM participated in a few of the working group discussions, providing our perspectives on the biodiversity disclosures, data and tools available and needed to further advance portfolio risk assessments. The findings and perspectives garnered through this initiative can be found in *Intégration de la biodiversité dans les pratiques financières et d'affaires au Québec* (November 2025, Finance Montreal & CRABE), a publication which is only available in French.

PRI Sovereign Engagement on Climate Change

The Collaborative Sovereign Engagement on Climate Change is a PRI initiative that enables investors to have dialogue with governments about climate change-related impacts on their credit profile to assist in better managing portfolio risks and opportunities. In 2025, the PRI established a full engagement program for the Canadian system.

Given TDAM's significant exposure to federal and provincial debt, as well as the broader Canadian economy through all asset classes, the initiative

provides us with a valuable opportunity to foster sustained dialogue with governments in Canada on mutual interests to address financially material risks and opportunities related to climate change.

Key Areas of Focus

Governance

TDAM remains focused on three core pillars of corporate governance which underpin the way 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 continue to believe that boards should be well-structured, largely independent and high-performing, so companies have the appropriate oversight, including oversight of financially material environmental and social risks, to generate long-term sustained value. With regards to executive compensation, we believe that companies should have management incentives tied to long-term value creation and designed to discourage excessive risk-taking. Finally, we continue to be focused on shareholder rights to ensure that they are not inequitably diminished.

In 2025, TDAM held 44 direct engagements with companies to discuss corporate governance topics. These engagements varied given the wide range of corporate governance areas which affect portfolio companies. Still, the engagements focused on several central themes, including, but not limited to, board composition, board effectiveness, succession planning, and protections for independent shareholders in companies with a significant degree of influence.

In terms of proxy voting, TDAM voted against directors at 347 companies globally 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 84 companies globally where more than one-third of the board is comprised of directors whose tenure exceeds 15 years. We also voted against directors at 517 companies 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.

Globally, TDAM has been following Japan's corporate governance reform journey and developments. In 2025, TDAM, through its membership in the International Corporate Governance Network (ICGN), participated alongside other global investors on a series of advocacy meetings discussing various

topics, including corporate governance reforms, with Japan's Financial Services Agency (FSA) as well as the Ministry of Economy, Trade and Industry (METI). These meetings and TDAM's participation in ICGN help to inform and refine our perspectives on developments in rapidly evolving global jurisdictions.

Beyond North America - Japanese Market Case Study: Cross Shareholdings at a Japanese Financial Company

In the Japanese market, TDAM may consider withholding on certain director(s) where the company's cross-shareholdings²⁸ exceed a particular threshold (generally 20% of the company's net assets). During the past year, TDAM engaged the management team of a Japanese financial company before its annual meeting to discuss its percentage of cross-shareholdings on its balance sheet.

The company had a significant majority of its net assets in cross-shareholdings, and it had set and disclosed to the public a relatively long-term plan to unwind its cross-shareholdings, instead of choosing a quickly executed near-term plan.

TDAM wanted to understand why the company still had such a significant percentage of shares tied to cross-shareholdings and why it had not accelerated its unwinding plans. Notably, the level of cross-shareholdings within the Japanese market had declined rapidly over the last several years, in part due to the country's regulator and the government's push for progress.

Our engagement with the company highlighted the unique circumstances it faced. The timeline for cross-shareholdings reduction adopted was actually set in conjunction with the local market regulator's recommendations for the company. Additionally, the company demonstrated resolve to achieve its reduction goals, with actual reductions being significantly higher than planned in the most recently completed fiscal year. The company remained strongly committed to achieving its plan. Based on the above factors, TDAM did not withhold support from any directors on the basis of the high proportion of cross-shareholdings. We intend to keep monitoring and engaging with the company to ensure it continues to follow and execute on its stated plans.

Executive Compensation and Management Incentives

In 2025, TDAM held 15 direct engagements regarding executive compensation topics. Executive compensation engagements are typically company-specific. The key objective is to understand company-specific circumstances and whether the subject company has an incentive structure to motivate behaviours which generate long-term value.

In the 2025 proxy year, TDAM voted against 223 Say-on-Pay proposals globally, with 68 in the U.S., 6 in Canada and 149 in other jurisdictions. When we vote against Say-on-Pay proposals at companies of a particular size and scale in North America, we generally also vote against the chair of the compensation committees. 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. 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. Therefore, the underlying themes behind TDAM's "against" votes remain relatively unchanged year-over-year and 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.

²⁸ Cross-shareholding describes a situation where one publicly-traded company holds a significant number of shares of another publicly-traded company.

Case Study: Pay-for-Performance Misalignment at a Canadian Material Sector Company

In the past proxy year, TDAM examined the compensation program of a Canadian material sector company as part of its review of the company's Advisory Vote to Ratify Named Executive Officers' Compensation (Say-on-Pay). The company disclosed that upward discretion was applied to the vesting of a portion of the company's performance share units (PSUs). When looking at the performance of the company's shareholder returns against quantitative pay levels, we identified a pay-for-performance misalignment.

In considering whether TDAM could support the company's Say-on-Pay vote, we balanced some mitigating factors that were disclosed by the company, such as its statement that there had been no PSU payouts in the past two years due to performance criteria not being met, partly due to factors outside of management's control.

Ultimately, we did not support the company's Say-on-Pay vote for several reasons, including that in some circumstances, the company utilized above-median benchmarking, where a commensurate level of above-median performance was not targeted. Further, while certain events that affect PSU payouts are beyond management's control, the performance metrics (relative total shareholder returns) used are considered a composite metric. Such performance metrics are generally less directly impacted by such events compared to other financial or operational metrics.

Key
Areas

Shareholder Rights

In 2025, a number of developments occurred in the U.S. market. Some of these recent developments include:

- New guidance from the Securities and Exchange Commission (SEC) on share ownership reporting (Regulation 13D-G)²⁹. This regulation imposes potentially more reporting requirements for asset managers seeking to engage portfolio companies and discuss their proxy votes and issues related to ESG topics.
- New SEC guidance³⁰ on shareholder proposals which potentially permits companies to more freely seek exclusions from shareholder proposals that are not deemed to be “economically relevant.”
- Significant reforms in Delaware General Corporate Law (DGCL) through Delaware Senate Bill 21³¹ to maintain Delaware as the incorporation state of choice. While aimed at providing more clarity and certainty for companies, these changes potentially impact shareholder rights.
- Significant developments through senate and assembly bills in Texas³² and Nevada³³ which eventually will lead to, or have already led to, the creation of specialized business courts challenging Delaware courts as the preeminent choice for matters of internal affairs. Many of these bills in Texas³⁴ and Nevada³⁵ also generally enhance protections for directors, officers and corporations.
- The SEC Division of Corporate Finance’s announcement related to its curtailing of the review of shareholder proposal exclusions submitted under Rule 14a-8 for the upcoming proxy season.³⁶

The combined effects of these developments may impact shareholder rights in portfolio companies. For one, the recent changes in DGCL may potentially lessen its flexibility due to the bright-line test definitions introduced, among other things. Nonetheless, proponents could argue that the potential loss of flexibility presents benefits due to the certainty and clarity provided to issuers incorporated in the State of Delaware.

In the 2025 proxy year, TDAM reviewed several reincorporation proposals, primarily to the State of Nevada. As part of our review, we took into consideration the balance of the economic benefits presented by the company, alongside the comparative shareholder rights regime between the incumbent and chosen jurisdictions. While we did not support all reincorporation proposals, we will continue to review such proposals on a case-by-case basis.

²⁹ <https://www.sec.gov/rules-regulations/staff-guidance/compliance-disclosure-interpretations/exchange-act-sections-13d-13g-regulation-13d-g-beneficial-ownership-reporting>

³⁰ <https://www.sec.gov/about/shareholder-proposals-staff-legal-bulletin-no-14m-cf>

³¹ <https://legis.delaware.gov/BillDetail/141857>

³² <https://capitol.texas.gov/tlodocs/88R/billtext/html/HB00019F.htm>

³³ <https://www.leg.state.nv.us/App/NELIS/REL/83rd2025/Bill/12307/Overview>

³⁴ <https://capitol.texas.gov/tlodocs/89R/billtext/html/SB00029F.htm>

³⁵ <https://www.leg.state.nv.us/App/NELIS/REL/83rd2025/Bill/12259/Overview>

³⁶ <https://www.sec.gov/newsroom/speeches-statements/statement-regarding-division-corporation-finance-role-exchange-act-rule-14a-8-process-current-proxy-season>

Climate Change

TDAM considers climate change to be a systemic risk affecting a wide range of stakeholders. Our approach to climate change is aligned with our overall philosophy of integrating all material sources of risk and return in our investment processes. As an investment manager of diversified asset classes, TDAM views climate change as an important area of research. For more information on our climate change strategy, governance, risk management and metrics, please refer to [TDAM 2025 Climate Report section >](#).

From a stewardship perspective, we actively engage with companies and leverage our asset ownership positions to discuss company disclosures on climate-related risks and opportunities. We continue to participate in policy engagements with regulators as they develop and refine the standards used to measure, manage, and report on climate risk. We are members of industry organizations that aim to enhance the dialogue and understanding around incorporating climate considerations in investing and disclosures, such as the Partnership for Carbon Accounting Financial (PCAF)³⁷, the PRI Sovereign Engagement on Climate Change, and the United Nations Environment Programme Finance Initiative (UNEP FI).³⁸

In general, we encourage, but do not require, issuers in our portfolios to set credible greenhouse gas (GHG) reduction targets with the goal of achieving net-zero emissions by 2050 or sooner.

Physical climate-related risks, such as the risks posed by increasing wildfires, floods, rising temperatures and more are continuing to grow in severity. As the potential financial materiality of these risks grows, we expect issuers in our portfolios to demonstrate that they are measuring, assessing and disclosing the potential impact of physical climate-related risks on their assets and workforce, to the best of their ability.

From a proxy voting perspective, where requisite disclosures are not provided by companies, TDAM generally supports proposals seeking basic and enhanced disclosures on how investee companies identify, measure and manage their climate-related risks, as well as proposals calling on investee companies to reduce GHG emissions and set credible targets.

We evaluate advisory votes on climate, often referred to as Say-on-Climate – either proposed by management itself or requested of management by shareholders – on a case-by-case basis. For greater details and breakdown of our proxy voting and engagements on climate change, including sector and geographical information, please refer to [TDAM 2025 Climate Report section >](#).

2025 Highlights

Climate Change

- Held 134 climate-focused engagements with 101 companies, a year-over-year increase by 26 and 5, respectively, encouraging them to take appropriate action to mitigate financially material climate risks and capitalize on opportunities.
- Joined the PRI Sovereign Engagement on Climate Change's Canadian program to foster a sustained dialogue between governments in Canada and investors on mutual interests to address financially material risks and opportunities related to climate change.
- In Proxy Year 2024-2025, we supported 47 climate-focused shareholder proposals at annual general meetings, leveraging our shareholder rights to push for stronger action, where required, at our investee companies.

³⁷ PCAF is a global partnership of financial institutions that work together to develop and implement a harmonized approach to assess and disclose the GHG emissions associated with their loans and investments.

³⁸ UNEP FI is a partnership between UNEP and the global financial sector to mobilize private sector finance for sustainable development.

Stewardship in Action Case Study: Management Say-on-Climate at a Global Construction Materials Company

A large European-based global construction materials company put forward its climate report for an advisory vote to shareholders. The company primarily operates in the production of cement, aggregates and ready-mix concrete products, which is widely recognized as a hard-to-abate sector, meaning it is difficult and/or very expensive to reduce GHG emissions with existing technologies.

Within that context, we found that the company presented an ambitious and transparent climate transition plan. The plan is underpinned by sector-appropriate GHG reduction targets, covering all three scopes of emissions, at mid- and long-term target dates. These targets have been validated by the Science Based Targets Initiative (SBTi) under a 1.5°C scenario. The company also provides a transparent roadmap on the levers it will use to decrease its emissions, and how much each lever will contribute to the company's overall GHG reductions. Additionally, the company clearly lays out its capex expected for supporting its climate goals and it details its climate-related lobbying activities through a climate policy engagement report. Overall, the company has presented a clear roadmap on its emissions trajectory, which is supported by transparent metrics that investors can track over time.

Given all the above, TDAM supported management on this Say-on-Climate vote.

Climate
change

Biodiversity

Biodiversity loss is an emerging risk, receiving increased attention from investors given its economic importance, its contributions to various product developments, and its impact on managing climate. According to the World Economic Forum, over half of global Gross Domestic Product (GDP) is moderately or highly dependent on nature and ecosystem services.^{39,40}

Companies in the pharmaceutical industry, for example, rely on biodiversity data to inform their research and product development, with several medicines having been informed or developed using elements of the natural environment. Companies have various impacts on the natural environment as well. Certain businesses contribute to land use change, excessive extraction, ecological disturbance, land degradation, and water contamination. They also engage in other actions that can contribute to biodiversity and ecosystem loss. These things can harm both biodiversity and local communities and resources, potentially jeopardizing a company's social license to operate if its operations have significant negative consequences.

Moreover, biodiversity loss poses a risk to climate transition, with forests, soil and oceans being a natural sink for carbon emissions and therefore a natural defense for climate protection. At the same time, the energy transition and electrification will continue to require the mining of different metals, such as copper, lithium and cobalt.

The importance of biodiversity has also brought various standards and regulations intended to halt and reverse biodiversity loss. Developments include several countries having signed onto the Kunming-Global Biodiversity Framework, the financial industry having a growing interest in aligning with the Taskforce on Nature-related Financial Disclosures (TNFD), and the possibility that the International Sustainability Standards Board (ISSB) will develop disclosure standards around biodiversity. There are evolving regulations globally on risks to biodiversity,

given its material contributions to economies and communities. Companies also appear to be providing additional disclosures around biodiversity, with a significant increase in the number of companies formally committed to TNFD-aligned disclosures.⁴¹

Given a continued global need for natural assets and systems, an emerging regulatory landscape to protect them, and growing consumer awareness around corporate environmental behaviour, companies can benefit from innovation to help maintain these assets. It is important for asset managers to understand how investee companies address their significant biodiversity risks – identification of these risks, goals for mitigation and strategies towards progress and innovation – and how these risks impact the portfolios they manage.

Where we believe that biodiversity risks may be of concern, we will continue to use engagements as an avenue to better understand investee dependencies on biodiversity.

TDAM has also supported shareholder resolutions requesting companies to further analyze their nature-related risks. For the 2025 proxy year, TDAM generally supported biodiversity-related proposals, including requests for biodiversity impacts and dependency assessments, reports on water risks, and enhanced disclosures on waste reduction efforts.

³⁹ The Convention on Biological Diversity defines biological diversity as “the variability among living organisms from all sources including, inter alia, terrestrial, marine and other aquatic ecosystems and the ecological complexes of which they are part; this includes diversity within species, between species and of ecosystems.”

⁴⁰ World Economic Forum (January 2020). Nature Risk Rising: Why the Crisis Engulfing Nature Matters for Business and the Economy. Accessible via the following link: https://www3.weforum.org/docs/WEF_New_Nature_Economy_Report_2020.pdf.

⁴¹ TNFD (November 2025). TNFD Adopters. <https://tnfd.global/engage/tnfd-adopters/>

Case Study: Progress as Companies Address Biodiversity

Companies are increasingly incorporating industry biodiversity recommendations to advance their nature risk management and related disclosures.

We engaged one Canadian mining company that advanced its work toward TNFD alignment, aiming to improve its policies, assess their gaps, and develop a plan to uphold biodiversity recommendations. The company communicated in the sustainability report it released in the spring of 2025 that it aims to develop an action plan to address gaps found in its 2024 biodiversity gap analysis.

The company indicated that this exercise provided helpful actionable items and informative metrics. The company indicated an intention to improve its disclosures and biodiversity risk management practices, and to develop more comprehensive performance targets to measure progress. Moreover, it indicated an appreciation for investor perspectives, as we review and utilize their nature-related disclosures. The discussion helped us better understand the company’s advancements in managing nature risks and acting on established standards.

2025 Highlights

Biodiversity	• We covered the topic of biodiversity in 26 engagement meetings, looking to understand companies’ assessment of their biodiversity impacts and dependencies, management of environmentally harmful pollutants, and issues around water use. • During the 2025 proxy year, we also supported 14 proposals requesting companies to enhance biodiversity-related corporate practices, such as building biodiversity risk assessments, establishing related targets, and advancing relevant reporting to allow greater risk awareness.
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Human Capital

Human Capital Considerations

TDAM recognizes that employees are a crucial stakeholder for any company, especially since companies rely on employees to meet their strategic ambitions and growth objectives. Risks and opportunities can arise out of how a company develops its corporate culture, interacts with its employees, and works to attract and retain talent.

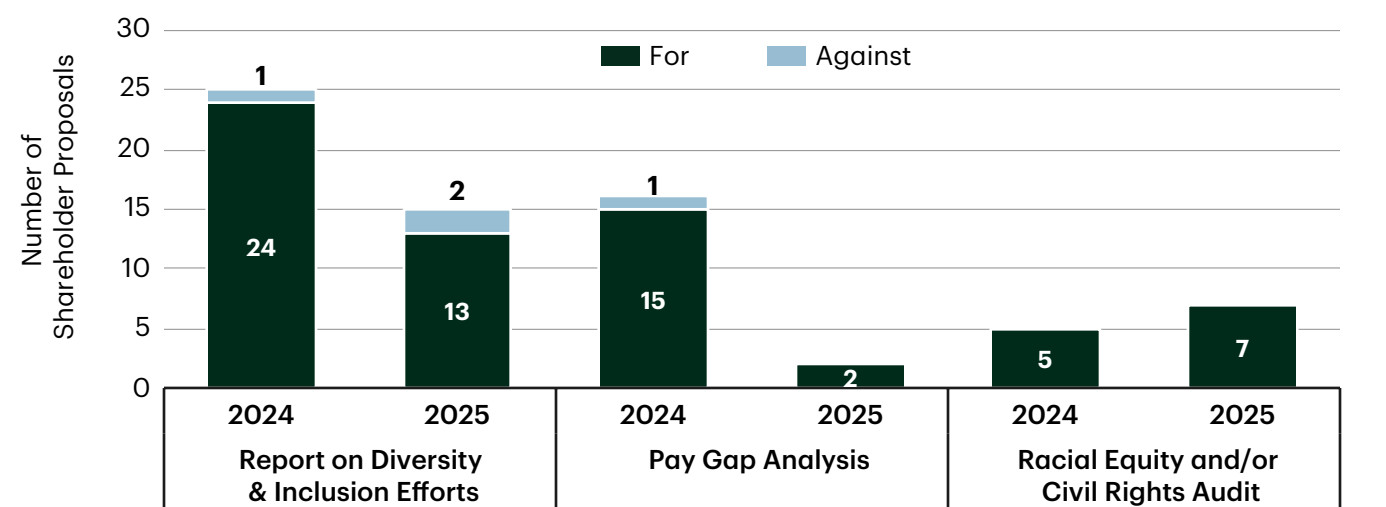
We incorporate human capital considerations as part of our stewardship program by reviewing dynamics such as employee turnover, employee engagement practices and the existence of policies on issues such as non-discrimination and whistleblowing. Trends or events regarding these human capital topics may be included in the due diligence which investment teams conduct about applicable ESG practices to identify financially material issues that may impact company operations. In addition, our stewardship practices include discussions on human capital in our engagements with company management, where relevant, and in proxy voting decisions.

Diversity and Inclusion

TDAM sees value in diverse perspectives at both the board level and across the broader organization. TDAM recognizes that employees are a crucial factor for any company’s success, especially since companies rely on employees to meet their strategic ambitions and growth objectives. Risks and opportunities can arise out of how a company develops its corporate culture, interacts with its employees, and works to find, attract and retain talent. We believe that companies should aim to reflect their customer base and the broader societies in which they operate. We encourage companies to report on their policies and efforts to attract and retain diverse talent and promote inclusion, and report on progress. Better data may be helpful for investors to gauge performance against a company’s stated goals and commitments.

In 2025, we saw a decline in proposals requesting additional disclosures on corporate diversity efforts as well as a fall in requests for racial or gender pay gap analyses. Despite this, diversity proposals were not absent entirely. The proposals we saw often looked to better understand companies’ progress on diversity amid the removal of certain diversity commitments or initiatives. Overall, TDAM supported 22 proposals requesting additional diversity reporting and assessments.

Figure 12: TDAM Votes “For” and “Against” Proposals on Diversity-Related Topics, 2024 vs. 2025



Source: ISS, TDAM. From July 1, 2024 to June 30, 2025.

Human
Capital

- 9 engagements by TDAM included a discussion on DEI.
- 46 engagements included discussion on other human capital issues, including 23 engagements on health and safety matters.
- During the 2025 proxy year, TDAM voted against board directors at 517 companies due to a lack of board diversity.
- There was a general drop in labour-related proxy proposals in the 2025 proxy year. TDAM supported the majority, voting in favour of 8 shareholder proposals requesting further assessment of company labour practices and another 17 diversity-related shareholder proposals.

Human Capital

Human Rights

Given the risks around human rights violations and elevated regulatory scrutiny around that, TDAM believes companies should be committed to the respect of human rights across their supply chains, within their operations and in regards to surrounding communities. Companies found to be complicit in human rights abuses face regulatory, legal and reputational risks, as well as potential operational challenges. Laws that require companies to conduct human rights due diligence practices and others that introduce modern slavery reporting obligations continue to evolve. Moreover, ongoing geopolitical tensions and armed conflicts have contributed to greater discussion around corporate human rights due diligence in conflict-affected and high-risk areas.

One notable piece of human rights legislation is Europe's Corporate Sustainability Due Diligence Directive (CSDDD), which was adopted in 2024. Under the directive, companies are legally obligated to conduct human rights and environmental due diligence across their global supply chains.⁴² However, the EU then made adjustments to the CSDDD through its Omnibus legislation in order to streamline regulatory requirements, with final approval of changes reached in February 2026.⁴³ The adjustments now reduce the number of companies in scope and aim to lighten the regulatory burden on reporting companies by focusing only on the most essential aspects of human rights and environmental due diligence, taking a more tempered approach to mandatory human rights due diligence requirements. We continue to monitor European developments as we try to understand the types of precedents that might come from a region that is typically more progressive in the area of sustainability.

We incorporate human rights considerations as part of our stewardship practices, engaging companies on the strength of their human rights policies, the methods in place to ensure adherence to stated policies, and the methods used to inform their practices and improvements (e.g., community engagement practices and grievance mechanisms). Where our research indicates high potential risk, we include discussions on human rights in our engagements with company management.

Though the number of human rights proposals seen in the 2025 proxy year was lower, just like other social proposals, these risks and related regulations continue to highlight that human rights is a regular topic of concern year-over-year. Overall, TDAM supported 30 proposals aimed at mitigating human rights risks and building transparency around related corporate efforts.

Since the 2022 launch of PRI's Advance initiative, a collaborative stewardship initiative on human rights and social issues, TDAM has actively participated in the initiative as one of the lead investors and has held meetings with two companies to move forward discussions on how they approach human rights, disclose information around that approach, and measure progress toward mitigating human rights risks and generally advancing respect for those rights. We will continue to work with companies where appropriate to advance these conversations.

⁴² https://commission.europa.eu/business-economy-euro/doing-business-eu/sustainability-due-diligence-responsible-business/corporate-sustainability-due-diligence_en

⁴³ Source: <https://www.consilium.europa.eu/en/press/press-releases/2026/02/24/council-signs-off-simplification-of-sustainability-reporting-and-due-diligence-requirements-to-boost-eu-competitiveness/>

Indigenous Rights

As part of its human rights practices, TDAM looks to companies to ensure respect of the rights of Indigenous communities as well as their perspectives and insights. TDAM encourages companies to operationalize global standards that call for Free, Prior and Informed Consent (FPIC) and that this be included in their formal policies, consultations practices and due diligence processes. TDAM has engaged on the topic with the aim to assess how companies consider the perspectives and direction of Indigenous People to help mitigate related risks that could have financial implications for company operations.

In 2025, TDAM continued to engage on issues of Indigenous rights within its stewardship activities, discussing this topic specifically in 15 engagements with public and private companies. This included utilities, energy and mining companies. While mostly Canadian entities, these companies had operations not just in Canada but globally. Note that several other engagements on human rights, community relations, and environmental issues, for example, also often address concerns relevant to Indigenous communities. Additionally, throughout the 2025 proxy year, TDAM backed three proposals requesting that companies disclose how effective their policies, procedures and due diligence measures are in upholding Indigenous rights.

Case Study: Mitigating Risks of Modern Slavery in Lending Portfolios

Mitigating modern slavery risk in lending portfolios was a topic of concern for a new proposal seen at several of the large Canadian banks in the 2025 proxy year. The proposal asked the banks to disclose measures that have been taken to prevent and reduce the risk that any borrower financed by the banks uses forced or child labour in its operation and supply chain.

This proposal came amid heightened attention on modern slavery risks globally, including recent Canadian modern slavery legislation and federal intention to make additional advancements to combat forced and child labour. In Canada, the Fighting Against Forced Labour and Child Labour in Supply Chains Act came into force in January 2024⁴⁴.

Under the current law, certain entities (including some companies listed on a Canadian stock exchange) must report annually to the Minister of Public Safety, describing the steps they have taken during their previous financial year to prevent and reduce the risk that forced labour or child labour is used in their operations or supply chains. However, due diligence processes about the modern slavery risks affecting corporate lending clients are not always prominent in these documents or in other bank disclosures.

Given the heightened attention on modern slavery risks and the evolving regulation, additional transparency is expected. There was significant shareholder support for these bank proposals, ranging from 21% to 27%.

Case Study: Evolving Landscape in Support of Indigenous Partnerships

Meaningful engagement with Indigenous communities is critical if companies want to maintain their social license to operate and move forward with projects without facing disruptions. While there is a long path ahead on reconciliation in Canada, there are encouraging developments in the market, such as companies forming Indigenous equity partnerships. These partnerships provide Indigenous communities with ownership stakes and a stronger voice in major Canadian infrastructure projects, promoting a more inclusive approach to economic development.

Historically, Indigenous groups have faced barriers to accessing these equity partnerships, including perceptions of greater risks and the burden of high interest rates. However, various initiatives are gaining momentum to help improve affordability for Indigenous participants. In Canada, programs like the federal government's Indigenous Loan Guarantee Program, the Alberta Indigenous Opportunities Corporation, and the First Nations Finance Authority are making it easier for Indigenous groups to participate by helping to lower interest rates and develop more sizable issuances to attract further market investment.

⁴⁴ <https://www.publicsafety.gc.ca/cnt/cntrng-crm/frcd-lbr-cndn-spply-chns/rprtng-blgtns-en.aspx>

In 2025, TDAM actively engaged these entities to understand the expanding investment opportunities in this area. We will continue to pay attention as additional efforts take place to support Indigenous self-determination, create opportunities for further corporate partnerships with Indigenous groups, and allow for new investment prospects.

2025 Highlights

Human Rights	• Discussion on human rights was present in 41 engagements by TDAM, including 15 engagements that covered Indigenous rights and relations. • During the 2025 proxy year, TDAM supported 30 shareholder proposals requesting human rights policies and human rights risk assessments. • Actively participated as a lead investor member of Advance, PRI's stewardship initiative for human rights and social issues.
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Human Rights

Artificial Intelligence (AI)

There is broad awareness that responsible management of AI will be critical given AI's wide-spread adoption globally. AI has rapidly grown in utility and provides companies with the ability to operate more efficiently, allowing for further innovation. However, there are various concerns around the complex nature of AI, including privacy, copyright, as well as the potential for AI to magnify negative biases and to perpetuate misinformation.

Moreover, with the rise of AI, the infrastructure needed to meet the increasing demand, such as data centres, creates certain environmental implications. Data centres consume a substantial amount of energy and require significant amounts of water for cooling. There are risks due to the locations of data centres, the stress they put on their surrounding environment, and the methods used to acquire these necessary resources. The rapid pace and scale of AI adoption have raised expectations for corporations to develop robust mechanisms that would ensure responsible use and development of AI.

Efforts are underway globally to develop ethical practices and risk oversight, including a rise in standards for corporate AI principles and regional laws and regulations. The Organization for Economic Co-operation and Development (OECD) AI Principles, for example, are an internationally recognized standard of values-based principles that promote innovative, trustworthy AI use, development and governance.

In terms of regulation, the European Union's Artificial Intelligence Act (EU AI Act) came into force in August 2024. The law aims to regulate AI to ensure its ethical development and use. The EU AI Act is applicable to a large number of global players, as it covers AI systems that are placed on the market, put into service or used in the EU. The EU AI Act creates obligations for companies to assess their AI systems and ensure proper security, transparency and oversight of those systems depending on the level of risk they pose to health, safety or fundamental individual rights. This is the first comprehensive AI regulation, a precedent that is seen as a key example for ensuring management of AI risks.⁴⁵

AI will continue to be a topic of interest as countries update regulations for this expanding technology and consider additional ones. Given both the known and unknown potential of AI as well as its evolving set of risks, we consider growth in standards and regulation a certainty.

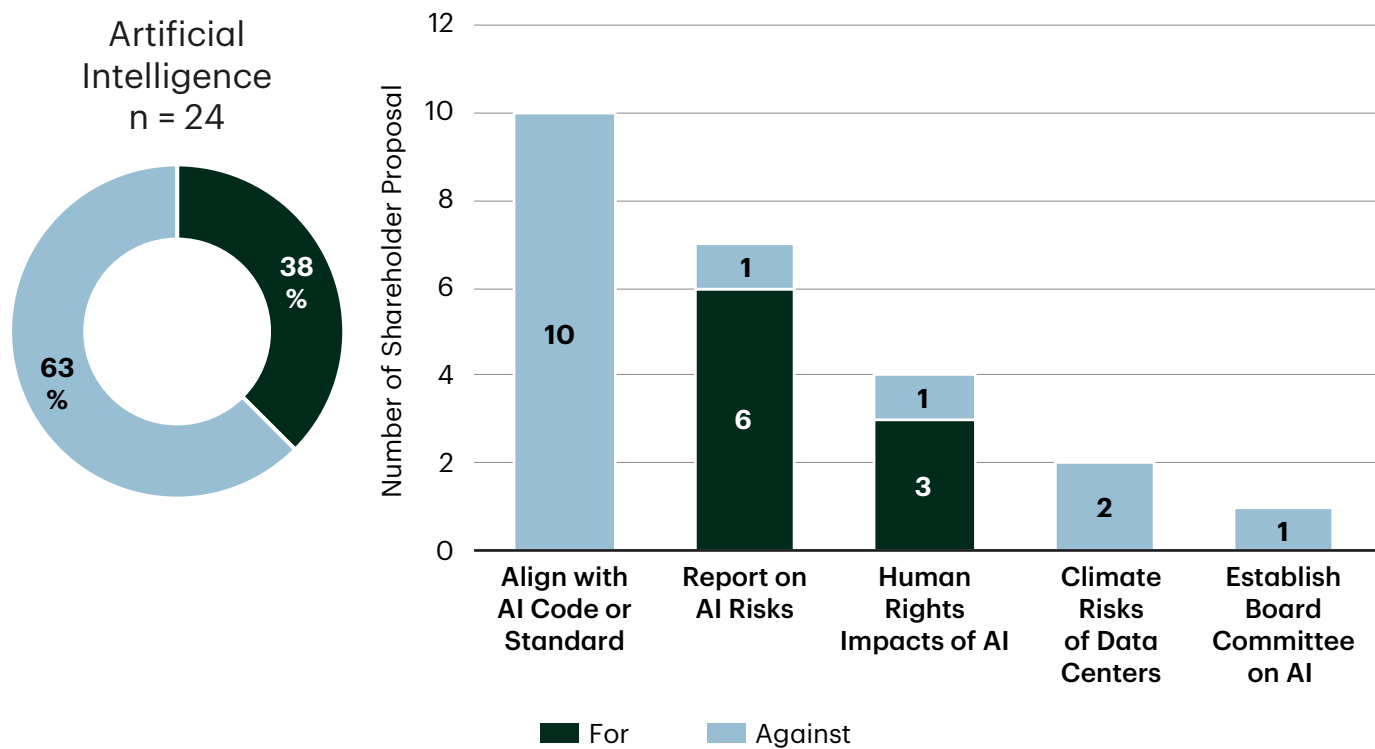
As investors, we expect companies to implement governance structures that ensure responsible oversight of their AI development and use. Since this expectation is reflected in regulation across jurisdictions, companies will need to have the infrastructure in place to ensure risks are mitigated. Otherwise, they could face lapses in areas such as data security, litigation and/or penalties, erosion of client trust and loyalty, and loss of talent.

In the 2025 proxy season, we saw more shareholder proposals about AI (a total of 24 compared to 6 in 2024). They included requests for adoption of AI codes of conduct, additional board oversight of AI, and risk assessments of AI-driven bias, discrimination or unethical data acquisition. TDAM supported nine proposals about AI risk assessments.



⁴⁵ <https://artificialintelligenceact.eu/>

Figure 13: TDAM Votes for AI-related Proposals



Source: TDAM. As of June 30, 2025.

Ultimately, we did not support some proposals requesting companies to adhere to new AI codes or develop new AI board committees for a number of reasons, including that we found these proposals limited, given the rapidly evolving AI landscape. It is important for AI to be considered across board structures, rather than siloed in separate committees. However, we recognize the need for companies to be aware of how AI standards and governance structures are evolving to ensure timely corporate alignment with the standards that are most well-regarded and suited to their industry.

Case Study: Wage Determination Driven by AI

A rideshare company faced a proposal requesting it to commission an independent human rights assessment of its use of AI and any associated impacts on drivers and customers. The proponent had concerns about how AI use in rideshare pricing could result in unequal pay for equal work and discrimination. Various media outlets have covered the issue of wage discrimination as a result of these new algo-driven pay practices.

Concerns related to how drivers doing similar work can be paid differently based on factors that are not fully known to them. Previously, distance, time spent and surge pricing for busier hours were commonly used factors to determine wages. With the new AI-driven approach, wage determination is more obscure. The question is whether the use of AI to develop personalized wages could violate labor law protections for workers in the various jurisdictions where the company operates.

We supported the proposal because the added assessment could help investors understand how well the company is mitigating risks related to its AI use and how this reflects evolving regulations.

Case Study: Intersection of AI, Environment and Human Rights

A company which owns, operates and invests in data centres globally saw a shareholder proposal requesting it to develop a right to water policy. The policy would require transparency about the company's approach to water use, given the dependencies of local communities on those water resources, particularly in water-stressed areas.

Data centres require a significant amount of water for cooling. They are often built and operated in areas that already lack fresh water resources and face environmental pressures. With the growth in data centre demand driven by increasing AI use worldwide, the pressure on water resources will only rise. We expect companies to consider and mitigate risks that could create community hardship and/or jeopardize the community's willingness to support continued company operations.

Certain companies that develop and operate data centres are working to manage these water risks, taking on various initiatives to reduce their water intensity. This company, in particular, has been using water-free cooling as the standard for its data centres since 2013, removing the need for water cooling in 75% of its data centres. However, given the number of data centres the company has and may add in the future, water use remains a significant consideration. Moreover, it appears that future demand may not be fully supported by dry cooling systems. The company does have a global water strategy, though disclosure of strategy details is limited. The company did indicate that it recognizes the critical role of water in its operations and aims to improve its water conservation and use practices.

Given the considerations listed above, TDAM supported this proposal. The requested policy would allow investors to better understand how the company will continue its development of data centres in a way that maintains its social license to operate, aligns with global human rights standards, and mitigates risks related to water use and water stress on surrounding communities.

Social

ESG Integration

TDAM recognizes that a broad range of financial and non-financial considerations may be relevant in making investment decisions. Where funds do not explicitly focus on ESG factors as part of their fundamental investment objectives or as a material component of their principal investment strategy, TDAM aims to integrate ESG factors where financially material or relevant into the investment decision-making process. It is up to each individual portfolio manager to determine how and to what extent ESG considerations are to be incorporated into the financial analysis within their own investment processes, and in a manner that aligns with the fundamental investment objectives of each fund. As a result, ESG considerations may be incorporated in varying limited degrees and weights across the funds, and ESG factors may differ from security to security within a fund's portfolio. Certain strategies and asset classes which do not integrate ESG factors include index-tracking funds.

Details are provided below about how certain asset classes consider material ESG factors as part of their respective investment processes.

Quarterly Internal Performance Reviews - Active Equity (Including Quantitative Strategies) and Select Active Fixed Income Funds

Quarterly performance reviews may include portfolio-level ESG quality scores, carbon metrics, as compared to their respective benchmark(s), and controversy or headline risk reviews, which provide an additional layer of risk analysis. These internal quarterly performance review meetings serve as a forum for the CIO to discuss performance, inclusive of ESG metrics, and for internal teams, such as asset allocation, investment risk and product, to discuss their questions for the respective portfolio manager. For general purpose funds, ESG metrics are included in performance reviews to identify and discuss potential unintended non-traditional risks that the portfolio may be exposed to by using independent third-party data. For funds that integrate one or more ESG factors as part of their fundamental investment objectives and/or principal investment strategies, quarterly performance reviews measure and report on those metrics to help ensure adherence to their respective investment objectives and/or strategies, as applicable.

As ESG evolves, so does the related data, and keeping up with the evolving data sets can be challenging. To streamline our processes, we have made a significant investment in our infrastructure, including data aggregators, to ensure efficiency and scalability for the future. In addition, we continue to expand the data availability across the investment management teams, enabling them to conduct the ESG analysis they need for their clients. Along with improved infrastructure and access, our capabilities in the ESG landscape have also increased over the last year. We've integrated ESG metrics and ratings into our trade modelling tools, compliance processes and reporting. This includes incorporating ESG engagement data for each issuer within our funds, along with specific issues that are being discussed as part of each engagement. Additionally, North American Industry Classification System (NAICS) sectors have been incorporated into our Portfolio Analytics platform, allowing alignment with the Standardized Climate Scenario Analysis of the Office of the Superintendent of Financial Institutions (OSFI).

ESG

Fundamental Equity

TDAM's Fundamental Equity team believes that the consideration of material ESG factors as part of its financial analysis and investment decision-making process assists with obtaining a robust view of the risks associated with a particular investment. As part of their overall research process, Fundamental Equity analysts may meet with companies about their business structure, strategic direction, risk management, cost drivers and revenue prospects.

2025 Highlights and Case Study

Retail Transformation: Automation and Living Wages for Humans

The debate about whether ecommerce will replace physical commerce has been raging for over a decade now. Indeed, the former has grown rapidly, from just 7.4% of U.S. retail sales in 2015 to over 16% in 2024⁴⁶. Irrespective of which retail medium the consumer uses, one common trait of the industry is the high human capital intensity needed for everything from managing complex storage and fulfilment operations, to last mile shipping and a marvelous in-store experience to gain shopper loyalty.

In these dynamic times, the TDAM Fundamental Equity team spends a lot of time considering the balance between labour and automation. As the latter improves, adoption of robotics grows steadily, sparking concerns that it may have a negative impact on the size of the workforce. From our observations, this is unlikely because for now firms on the cutting edge of automation are able to grow market share and they require more, not fewer, employees to support their operations.

Take the example of an ecommerce company; despite deploying over a million robots working alongside humans, the company has increased its workforce sevenfold over the past decade. Interestingly, this has been accompanied by investments in higher wages. In this case, the company raised its average hourly base wage in Canada to \$24.50 per hour, effective September 28, 2025, representing a 4.3% increase year-over-year (significantly above the rate of inflation) and translating into a minimum salary of \$50,960 for full-time employees.

Moving closer to the consumer and focusing on the physical/in-store experience, we encourage companies to make in-store investments in people. This approach to higher short-term financial costs has the potential to mean more loyal customers who spend greater sums and increase the value of the business in the long run. Taking the example of an international retail grocery company, the company is clear that it does not want to jeopardize customer experience, whether through reduced in-store hours or lower service quality standards. Instead, the company uses automation in the warehouse to drive efficiencies and has grown wages well above the national average.

⁴⁶ Source: Quarterly Retail E-Commerce Sales, <https://www.census.gov/retail/ecommerce.html>

Quantitative Equity

TDAM's Quantitative Equity team seeks to exploit market inefficiencies using a combination of their researchers' custom-built models and insights from their portfolio managers. While quantitative models facilitate objective decision-making as well as broad coverage of equity markets, no single model can cover the full complexity of the factors driving stock markets. The team is tasked with designing portfolios and identifying emerging sources of risk that may not yet be sufficiently captured by quantitative approaches. In building quantitative models, the Quantitative Equity team seeks to produce the most effective alpha and risk forecasts. Material ESG factors and methodologies are considered as part of these research and development efforts.

2025 Highlights and Case Study

Customized Quantitative ESG Solutions

Over the years, we have observed that many institutional investors have developed ESG objectives that are unique to them. In response to this need, TDAM's Quantitative Equity and Sustainable Investment teams have worked closely together to develop customized quantitative equity ESG solutions. These solutions incorporate both sustainability data and quantitative investment techniques which minimize risk and allow for opportunities to fine-tune portfolio constraints that go beyond just a passive exclusionary model. Through the collaboration between the two teams, we can help define sustainability goals that can be supported by data which is used to build a sample portfolio. Back tests can be run to assess the potential impact on portfolio characteristics, such as tracking error, volatility and portfolio turnover over time.

Fixed Income

TDAM's Credit Research team evaluates material ESG factors as part of a comprehensive credit review process for both corporate and government issuers. In addition to evaluating the financial and business strength of issuers, an ESG assessment is conducted for every issuer included on TDAM's credit approved list. To gain a complete picture of a company's credit quality, the team also engages with management to understand how issuers are addressing material risks. These processes inform an ESG Risk Score for the issuer, which is integrated into the internal credit rating. Our analysis is regularly updated and incorporated into research reports that are reviewed by TDAM's Credit Committee.

2025 Highlights and Case Study

Case Study: Assessing Physical and ESG Risks in an Electric Utility

An in-depth examination of physical risks is particularly important when evaluating utility companies because of their vast infrastructure, which may be exposed to storm, flood and wildfire damage. One electric utility company has experienced wildfires in several of its territories, resulting in ongoing litigation. While continuing to watch the litigation risk closely, we are also monitoring other ESG risk factors this company faces, which have been higher than those of its peers.

In monitoring the company, we noted a slow improvement in cash flow and credit metrics. A recent rate case decision in the company's largest territory was unexpectedly negative, which may result in a slower cost recovery and lower revenues than anticipated. Combined with the ongoing uncertainty of wildfire litigation related to 2020 fires, we have reduced our Leverage, Cash Flow and Event Risk sub-rating categories, resulting in a one-notch downgrade.

Private Markets

TDAM's approach to ESG integration for private market assets aims to consider material ESG factors through each stage of the investment lifecycle, including due diligence on new acquisitions and developments, through active ownership of ongoing operations, and eventual dispositions. At the due diligence stage, we focus on identifying and evaluating issues that are financially material and relevant to the investment strategy, including environmental impact, health and welfare, and climate resilience. ESG considerations are also integrated within active management through a combination of structured engagement, continuous performance tracking, monitoring and assessment, and alignment with frameworks and benchmarks such as GRESB, Principles for Carbon Accounting Financials (PCAF), and the PRI. These frameworks not only provide a standardized view on best practices but also establish a foundation for industry-aligned accountability and evaluation of performance.

In 2025, TDAM continued its quarterly ESG working group meetings with its Canadian real estate managers that are responsible for asset, property and development management across the TD Greystone Canadian Real Estate Strategy. Additionally, annual ESG engagements were conducted with the fund managers for the TD Greystone Global Real Estate Strategy, as well as for assets held within the TD Greystone Global Infrastructure Strategy.

ESG-related updates and performance for private market strategies are also reviewed at private market investment meetings as relevant. For example, updates on a new acquisition's ESG risk profile, GRESB scores, ESG data coverage and quality, findings from the TD Greystone Mortgage Strategy's borrower surveys, and updates on ongoing ESG due diligence for transactions are part of ESG performance monitoring at these meetings.

Private

Markets

Private Debt and Global Private Credit

TDAM's Private Debt Origination and Research team evaluates material ESG factors as part of a comprehensive credit rating review for approved issuers. The Private Debt Origination and Research team utilizes the Fixed Income process, as described in the [ESG Integration – Fixed Income section >](#), to inform an ESG Risk Score, which is then integrated into the internal credit rating. These assessments are reviewed and approved by TDAM's Credit Committee.

In 2025, TDAM announced the launch of its new TD Greystone Global Private Credit Fund for institutional investors. As an open-ended fund, this vehicle seeks exposure to a private credit portfolio diversified both globally and through opportunities in direct lending, real estate debt, infrastructure debt and specialty finance. The new fund leverages established governance frameworks and TDAM's credit rating review process to support a consistent approach to risk management.

To understand the relevant factors used to fully assess each credit rating, including how issuers address material ESG exposures, the Private Debt Origination and Research team conducts due diligence and may engage with issuer management teams. We believe TDAM's ESG integration process across private credit strategies helps analyze and identify non-traditional and potentially growing future sources of risk. This process also helps to better evaluate the ability of issuers to service their debts over extended time horizons.

2025 Highlights and Case Study

Case Study - ESG Credit Risk Analysis

The Private Debt Origination and Research team includes material ESG factors in its investment process and consults with the Sustainable Investment team on relevant ESG topics as appropriate. In 2025, the Private Debt team conducted due diligence on an insurance holding company transaction in collaboration with the Sustainable Investment team. The Private Debt team's initial analysis, utilizing its internal credit risk analysis framework, identified enhanced governance risk, primarily due to the issuers' previous regulatory compliance track record. The Sustainable Investment team's additional review further highlighted concerns about oversight, control culture and adequate balance of power at the board, all of which informed a higher governance risk rating for the transaction. Governance was viewed as material to valuation, given its potential to impact long-term enterprise value. Based on the joint assessments and collaboration between the Private Debt and Sustainable Investment teams, the Private Debt Origination and Research team ultimately decided not to proceed with the transaction.

Canadian and Global Real Estate

Across our real estate platform, our sustainability approach is aligned with our culture, which focuses on risk management, disciplined processes, sustainable returns, and a proactive approach to identifying and addressing material ESG risks and opportunities. ESG considerations are integrated across our real estate investment management processes, including acquisitions, new developments, capital planning, property and asset manager selection, and ongoing operations, to capture opportunities, assist in protecting asset values and mitigate risks that may have financial impacts. Integration of ESG factors may also include the monitoring of material performance indicators, engagement with relevant stakeholders, and the consideration of further ESG-related risks and opportunities. This comprehensive approach is designed to support stable, growing income streams, enhance long-term value creation, and mitigate risk in an evolving global landscape.

The real estate strategies continue to maintain an emphasis on material ESG factors that we believe drive quality, resilience, and long-term value. Progress over the past year has been focused on strengthening ESG data tools and infrastructure, advancing climate risk assessment capabilities, and continued engagement with property and asset-management partners and underlying fund managers through structured meetings, surveys, and performance scorecards.

GRESB – Demonstrating Continuous Improvement

The TD Greystone Canadian Real Estate Strategy achieved its tenth consecutive Green Star ranking and scored 86 out of 100 for standing investments in 2025.⁴⁷ This score reflects TDAM's ongoing focus on engaging with asset, property and development managers to improve data quality, coverage and performance across the portfolio, including emphasis on energy, water, waste, building certifications and risk management processes.

The GRESB assessment framework continues to evolve its approach to scoring and benchmarking real estate portfolios. In 2025, GRESB aligned its asset-level performance scoring with the ASHRAE 100 Standard,⁴⁸ a global benchmark that defines energy performance targets by building type and climate zone. This approach enhances the technical rigor for asset-level benchmarks, aligning with international best practices. As the GRESB assessment framework continues to evolve, relative comparisons to benchmark results are often more useful than year-over-year evaluations. In 2025, the TD Greystone Canadian Real Estate Strategy ranked among the top 15% of submissions for its overall score across North America (of 109 submissions) and improved its peer ranking to 7th place over its 10th place position in 2024.⁴⁹

The TD Greystone Global Real Estate Strategy achieved an aggregate GRESB Portfolio Analysis score of 85 out of 100 and achieved its fifth consecutive four-star GRESB ranking. The TD Greystone Global Real Estate Strategy is an investor member in GRESB, thereby providing the strategy access to GRESB data for the underlying funds. The applicable funds achieved a cumulative increase in their GRESB scores, with every fund maintaining or surpassing the previous year's performance. TDAM continues to prioritize ESG engagement with its fund managers and includes ESG criteria in its manager selection and ongoing monitoring processes.

For information on the GRESB Real Estate Assessment's methodology and scoring criteria, please refer to their assessment resources available on their [website >](#).

⁴⁷ Source: 2025 GRESB Real Estate Benchmark Report. A copy of full assessment report is available upon request.

⁴⁸ ASHRAE, the American Society of Heating, Refrigerating and Air-Conditioning Engineers, is an international society of building professionals focused on research, standards, and education on building systems, energy efficiency, indoor air quality, refrigeration and sustainability. ASHRAE Standard 100: <https://www.ashrae.org/technical-resources/bookstore/standard-100>

⁴⁹ Source: 2025 GRESB Real Estate Benchmark Report. A copy of full assessment report is available upon request.

Global Real Estate Manager Engagement

In 2025, the TDAM continued its annual ESG engagement meetings with each of its underlying fund managers. The focused engagements included a performance debrief of each manager's 2025 GRESB assessment, as applicable, discussion of their ongoing ESG priorities and initiatives, review of key targets and progress, as well as a review of their approach and analysis of material physical and transition climate risks. Findings from the focused engagements were positive, with many of the fund managers highlighting their strategies related to decarbonization, efforts to expand on-site energy metering and renewable energy, and portfolio-level assessments of climate-related physical risk exposure. These engagements have offered the Global Real Estate team better insight into each of its managers' sustainability performance and priorities.

2025 Highlights and Case Studies

TELUS Garden Secures Zero Carbon Building Renewal

The TD Greystone Canadian Real Estate Strategy continues to pursue the Canada Green Building Council's (CAGBC) Zero Carbon Building (ZCB) certifications for strategic assets across the portfolio. In line with this approach, in 2025, the TELUS Garden Office building in Vancouver successfully renewed its ZCB Performance certification.⁵⁰

This premier AAA office tower of 24 floors and 550,000 square feet is a fully occupied, core asset located near transit and retail amenities in downtown Vancouver. The renewal of the ZCB Performance certification demonstrates the property's continued alignment with best practice environmental performance across its operations. The property is supported by a highly efficient heating and cooling system that eliminates on-site combustion. Space and hot water heating are supplied by a third-party district energy system which uses heat pumps, supplemented by a nearby district steam network. The property also holds LEED Platinum certification⁵¹ for its original design and construction in 2015.

Data-driven Energy Efficiency and Performance Monitoring

TDAM has maintained a strategic focus on data coverage, quality and analytics as a key area of importance for the TD Greystone Canadian Real Estate Strategy. We view asset-level performance data, including energy consumption and equipment data, as a valuable resource for driving efficiency and operational excellence across our portfolio properties. Our focus on expanding energy metering and monitoring has supported an increase in energy data availability across the portfolio properties, increasing from 79% of the total portfolio square footage in 2022 to 92% in 2024.⁵² This progress involved collaboration with property management partners to implement tailored strategies across the portfolio, including shadow meters for tenant-controlled properties and sub-metering within office assets to facilitate detailed operational insights.

This data delivers value on two fronts. At the asset level, property teams use ongoing monitoring and analytics to identify and evaluate efficiency opportunities, yielding both energy cost savings and emissions reductions and supporting overall building operations. At the portfolio level, a more comprehensive data set provides a complete picture of performance, facilitating enhanced reporting, analysis and benchmarking. This also serves as a valuable tool for engagement with property managers, as part of our annual ESG performance monitoring, and with tenants, who often value the data insights in support of their own sustainability goals.

⁵⁰ Source: Canada Green Building Council, https://leed.cagbc.org/leed/projectprofile_en.aspx

⁵¹ Leadership in Energy and Environmental Design (LEED). References: LEED <https://www.cagbc.org/our-work/certification/leed/>

⁵² % of energy data coverage based on portfolio gross floor area as of Dec 31, 2022 and Dec 31, 2024.

Sustainable Developments Across the Globe⁵³

Canvas Arthur House is a premium London-based student housing development that offers transit-linked access to major educational institutions, including University College London and University of Westminster. This property highlights Greystar's aim to sustainably build its GEPE I portfolio, in which the TD Greystone Global Real Estate Strategy is an investor. The property is on course to achieve BREEAM New Construction 'Excellent' status, a top tier certification achieved by less than 10% of BREEAM participants, and it has also achieved an Energy Performance Certificate (EPC) rating of A, which surpasses the projected UK regulatory minimum of C as of 2027-2028. The development was supported by a green loan⁵⁴ of €150 million, demonstrating an ability to attract green finance and access the best available capital in the market.

Advancing Indigenous Reconciliation⁵⁵

Within the TD Greystone Global Real Estate Strategy, TDAM works with investment managers who are active in the Indigenous communities in which they operate. Charter Hall, an Australian-based industrial real estate manager, has continued to advance its reconciliation journey. The investment manager's Innovate Reconciliation Action Plan was formally endorsed by the Reconciliation Australia foundation, the leading body for reconciliation in Australia, in May 2024. The plan spans a period from 2024 to 2026 and commits Charter Hall to actionable steps, such as growing partnerships with First Nations-owned businesses and engaging with organizations to create employment pathways for First Nations peoples in Charter Hall's value chain.

Data-
Driven

⁵³ Information in this section is provided by the respective investment manager.

⁵⁴ Green loan structure in alignment with the Loan Market Association's Green Loan Principles. Reference: <https://www.lsta.org/content/green-loan-principles/>

⁵⁵ Information in this section is provided by the respective investment manager.

Global Infrastructure

The TD Greystone Infrastructure Strategy aims to promote climate change mitigation and occupational health and safety characteristics through its active asset management practices.⁵⁶ For new infrastructure assets, material ESG factors are considered at the due diligence stage, using a proprietary ESG due diligence toolkit. This toolkit includes a sector-specific lens on material ESG factors, such as climate-related physical and transition risks, operational health and safety practices, and community and stakeholder impacts. Findings and recommendations from ESG due diligence reviews are included in the Investment Committee memorandum, which facilitates the communication of material ESG factors and assessment as well as oversight by the broader investment team.

Post-investment, ESG risks and ongoing performance are monitored throughout active management of the asset. This includes engagement with the management teams of portfolio companies, with the objective of reviewing sustainability and ESG practices and performance, understanding priority strategies, and identifying opportunities. Performance is also monitored and benchmarked through annual participation in the GRESB Infrastructure Assessment, which includes both the underlying portfolio assets as well as TDAM's own strategy-level practices.

GRESB

In 2025, the TD Greystone Infrastructure Strategy improved its GRESB score by five points to achieve a score of 95 out of 100 and its seventh consecutive Green Star ranking. The 2025 score positions the strategy above both global and peer average performance. The overall strategy level score reflects both TDAM's management practices as well as the individual asset-level scores across each portfolio company, many of which saw similarly strong performance and year-over-year improvements. Performance was driven by continued advancements in asset and strategy-level management practices, risk assessment and target setting.

For information on the GRESB Infrastructure Assessment's methodology and scoring criteria, please refer to their assessment resources available on their [website](#) >.

Supporting Energy Transition Through Renewable Energy Development

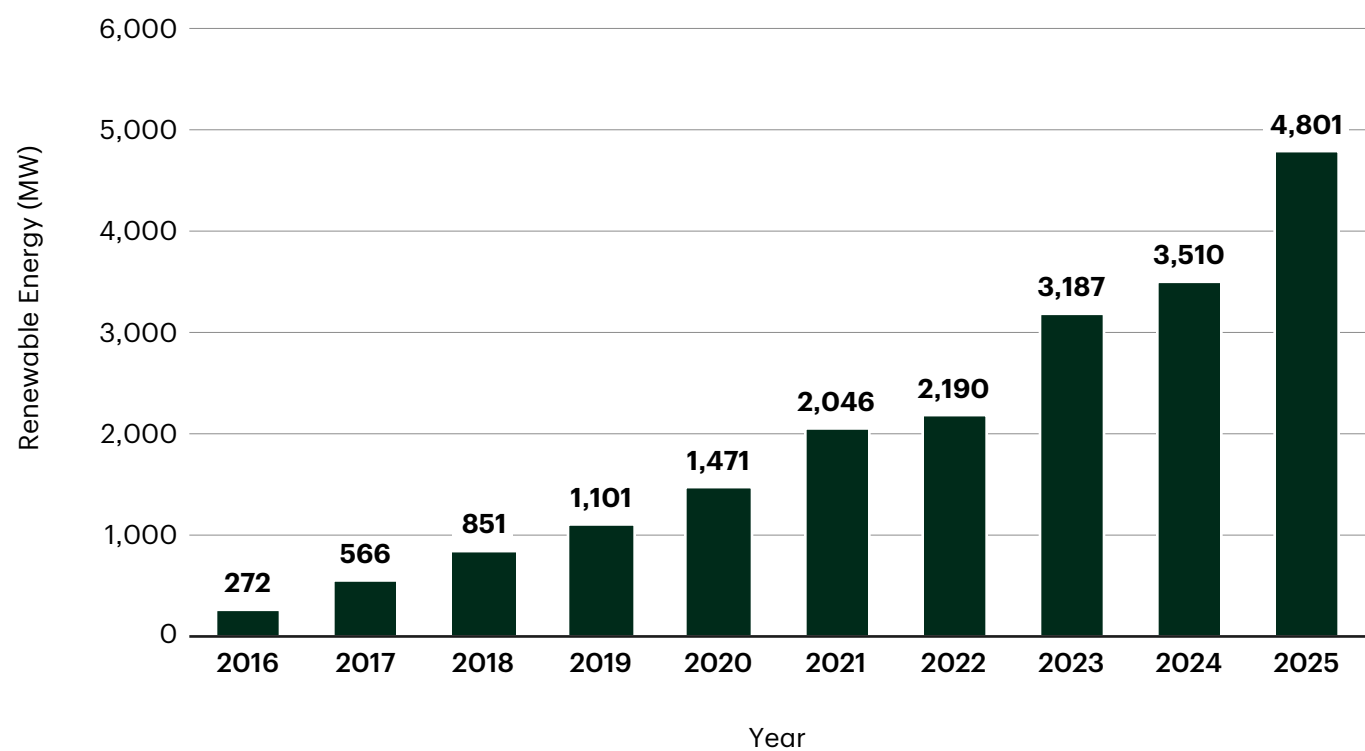
The TD Greystone Global Infrastructure Strategy includes a significant renewable allocation that grew from 50 megawatts (MW) in 2014 to 4,801 MW as of December 31, 2025. Over 70% of the strategy is invested in energy transition infrastructure,⁵⁷ including utility-scale battery storage and renewable energy infrastructure, across three major platforms focused on solar, wind and battery storage.

- Silicon Ranch Corporation remains one of the largest solar developers in North America with an operating capacity of 4,010 MW and an additional 3,660 MW under development.
- Rabbalshede Kraft in Sweden continues to reach new milestones with an operating onshore wind energy capacity of 462 MW, with an additional 1.1 GW of capacity under construction, as well as the recent commissioning of a new 20 MW Battery Energy Storage System in 2025.
- Enfinite, an Alberta-based utility-scale battery storage and power generation asset, continues to operate a large fleet of grid-connected battery storage facilities in Canada at 252 MW of storage capacity and an additional 100 MW under development.

⁵⁶ The TD Greystone Infrastructure Strategy does not commit to making any sustainable investments as defined by Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector.

⁵⁷ As of December 31, 2025.

Figure 14: Renewable Energy Capacity (MW) for the TD Greystone Infrastructure Strategy



Source: TDAM. As of December 31, 2025.

2025 Highlights and Case Studies

Alberta Powerline’s Capacity Building Program

As one of Canada’s longest electricity transmission lines at over 500 km, Alberta Powerline (APL) provides provincially designated critical infrastructure services to northern Alberta. The TD Greystone Infrastructure Strategy invested in the transmission line in 2018, along with an institutional partner and seven Indigenous communities. The Strategy structured the transaction to enhance participation of Indigenous communities, with APL’s Indigenous partners holding a 40% equity ownership share in the asset.

In 2025, the APL team continued to advance its Capacity Building Program for Indigenous youth. Throughout the year, the program disbursed a total of 11 scholarships across six Indigenous communities, totaling \$16,000 CAD. The program’s goals are to provide educational and employment opportunities within Alberta’s energy transition sector, facilitated through post-secondary scholarships and bursaries for eligible students from Indigenous communities within the APL ownership group. In addition to the scholarship program, APL will be providing annual educational sessions to students and plans to enhance the Capacity Building Program to connect youth to employment opportunities.

Building a Future-ready Workforce at PSA Italy⁵⁸

PSA Italy, the most recent addition to the TD Greystone Infrastructure portfolio, is a leading marine port operator with three deep-sea container terminals across Italy. It has established a strong foundation of ESG integration through various initiatives, including a target of reducing Scope 1 and 2 emissions by 2030 and achieving net-zero emissions by 2050⁵⁹. Its key strategy involves the electrification and modernization of its equipment and fleet across its terminal. PSA Italy continues to advance this program through the replacement of diesel-powered yard cranes and rail-mounted gantry cranes with electric models. The operator also obtains 100% of its purchased electricity from renewable sources⁶⁰ and is expanding energy saving measures such as the gradual replacement of lighting with LED technology and installation of rooftop photovoltaic systems on buildings.

Additionally, PSA Italy aims to foster a culture that considers sustainability within its operations. The company has developed a sustainability training program to help employees acquire the knowledge and skills they need to manage ESG risks and opportunities. Specific training has included workshops on sustainability-related EU regulatory frameworks, e-learning programs to raise awareness on climate change impacts and mitigation measures, and a “Skills for Sustainability” course aimed at furthering ESG knowledge and culture among employees. PSA Italy’s efforts toward both operational decarbonization and skills development support a long-term focus on resilience and sustainable value creation.

Rabbalshede Kraft Femstenaberg Hybrid Energy Park⁶¹

The renewable energy platform Rabbalshede Kraft, located in Sweden, reached a new significant milestone in October 2025 with the commissioning of its first large-scale Battery Energy Storage System (BESS). Located at the existing Femstenaberg wind farm in Strömstad, Sweden, the 20 MW system creates a fully integrated hybrid energy park. By pairing battery storage with the existing wind generation, the site can offer a solution for the energy grid by storing surplus power during high-generation periods and delivering it during periods of peak demand. This supports essential grid services and enhances overall grid stability and flexibility in Sweden. The park serves as a blueprint for future development. It advances the company’s transition toward integrated renewable energy supply that combines wind, storage and future solar additions.

⁵⁸ Information in this section is provided by the respective portfolio company. For more information, please refer to PSA Italy’s website at <https://www.psaitaly.com/en/content/sustainability>

⁵⁹ Compared to the 2019 baseline year, PSA Group is committed to reducing direct GHG emissions by 50% by 2030 and 75% by 2040, with the goal of achieving net-zero emissions by 2050. Source: PSA Sustainability Report, PSA Italy, https://www.psaitaly.com/sites/default/files/2025-07/SUSTAINABILITY_2024_PSAITALY-compresso.pdf Date site accessed: October 31, 2025.

⁶⁰ Reflects the purchase of electricity covered by a Guarantee of Renewable Origin (GO), an electronic certification attesting to the renewable origin of the sources used by IGO-qualified plants from Italy’s GSE (Gestore dei Servizi Energetici).

⁶¹ Information in this section is provided by the respective portfolio company, as at December 31, 2025.

Mortgage

TDAM may integrate ESG factors, where financially material or relevant, into the investment process to mitigate risks and identify opportunities within the TD Greystone Mortgage Strategy. Material ESG issues are evaluated within the context of our risk management framework.

Figure 15: ESG Due Diligence Framework of the TD Greystone Mortgage Strategy



Source: TDAM.

ESG Due Diligence Underwriting Process

As part of our underwriting process for the TD Greystone Mortgage Strategy, the investment team evaluates the site-specific transition and physical climate risk of prospective investments. For example, the investment team evaluates physical climate risk under a more severe global warming scenario, Representative Concentration Pathway (RCP) 8.5⁶² over a 10-year time horizon. The following acute and chronic climate hazards are included as part of this scenario analysis: riverine inundation, coastal flooding, chronic heat, fire probability (i.e., wildfire risk), drought, precipitation, hail, wind and combined inundation.

Given that the average duration of loans within the TD Greystone Mortgage Strategy is well under five years, the decade-long scenario is considered conservative. Additionally, as part of the due diligence process, the mortgage investment team investigates if climate-related transition risks have been incorporated into action plans and budgets and/or whether the lender has dedicated capital for financing sustainability-focused property enhancements.

GRESB Lender Assessment

Reinforcing its commitment to advancing ESG integration across the real estate lending industry, TDAM played a leadership role in the development of the GRESB Lender Assessment Framework and its inaugural benchmark review. The framework aims to assess ESG integration and performance in the sector. It evaluates the ESG policies, procedures and performance of real estate lenders, focusing on risks and opportunities that are unique to debt portfolios. The assessment aims to support both lenders and investors by:

- Benchmarking and tracking ESG performance against industry best practices and peers.
- Driving the integration of ESG factors into real estate lending processes and due diligence to address long-term risks and opportunities.
- Offering guidance and alignment on best practices to support lenders in enhancing their sustainability programs and reporting over time.⁶³

The assessment was launched to a select group of 22 global participants in 2025. The TD Greystone Mortgage Strategy ranked first among North American participants with an initial score of 73, outperforming both global and peer average scores.⁶⁴ This result reflects TDAM's leadership in ESG integration for the strategy, including strong performance in due diligence, governance, risk management and reporting categories.

TDAM's active participation in the assessment allows us to contribute to the development and evolution of industry practices for real estate lending. It also facilitates transparency by providing TDAM and our clients with a standardized framework for monitoring, measuring and communicating our sustainability performance. We continue to collaborate with GRESB leadership on the advancement of the framework as it opens to wider industry participation in 2026.

⁶² RCP 8.5 refers to the concentration of carbon that delivers global warming at an average of 8.5 watts per square meter across the planet. The RCP 8.5 pathway delivers a temperature increase of about 4.3°C by 2100, relative to pre-industrial temperatures.

⁶³ GRESB Lender Assessment for Real Estate. Reference: <https://www.gresb.com/products/gresb-lender-assessment-for-real-estate/>

⁶⁴ Source: 2025 GRESB Real Estate Benchmark Report - Lender. A copy of full assessment report is available upon request.

The TD Greystone Mortgage Strategy engages with borrowers on ESG-related considerations for eligible loans, which include those for existing buildings serviced by TDAM's wholly-owned mortgage servicing group, GMI Servicing Inc.⁶⁵ Our methods of engagement are described below.

Capturing Opportunity in Sustainable, Resilient Office Assets

In 2025, TDAM originated a \$335 million, three-year mortgage on a Class AAA office complex in downtown Toronto. The subject property consists of two towers that are each certified under the LEED rating system (Gold and Platinum) and include on-site renewable energy generation. Additionally, both properties are BOMA 360-designated and have a WELL Health & Safety certification. The property is located with great transit access and connections to Toronto's PATH underground pedestrian network in the downtown core. Many sustainable features are incorporated, including LED lighting, access to the Deep Lake Water Cooling system, an on-site water reuse system which reduces indoor potable water usage by 40%, and 30 Electric Vehicle charging spots. These features support operational efficiencies and enhance the ability to remain competitive and attract and retain high quality tenants. The TD Greystone Mortgage Strategy considered these factors as supporting great risk-adjusted returns on a high-quality asset.

The property has remained exceptionally resilient during a challenging office market, maintaining a 98% occupancy rate. Additionally, the borrower and property manager have established a strong ESG framework, including targeting net-zero by 2050 and a minimum LEED Gold certification for 100% of their new core developments.

Investment Process

⁶⁵ Eligible loans include those for existing buildings (land/construction financing is ineligible) serviced by TDAM's wholly-owned mortgage servicing group, GMI Servicing Inc., which constitutes 46% of total TD Greystone Mortgage Fund's AUM as of December 31, 2025.

Canadian Borrowers - ESG Engagement and Opportunities

To help identify potential ESG opportunities, in 2021 the TD Greystone Mortgage Strategy began formally tracking ESG engagements with its Canadian borrowers through an ESG Borrower Survey and an Annual ESG Review. Both of these initiatives were updated in 2022 to assist in collecting a more comprehensive data set. For the 2025 property survey, 206 properties with loans serviced by the TD Greystone Mortgage Strategy’s in-house servicing agent, GMI Servicing, were asked to participate in the Annual ESG Review. The response rate was 100%, with participation from all eligible properties.

Figure 16: 2025 Borrower ESG Survey Results⁶⁶



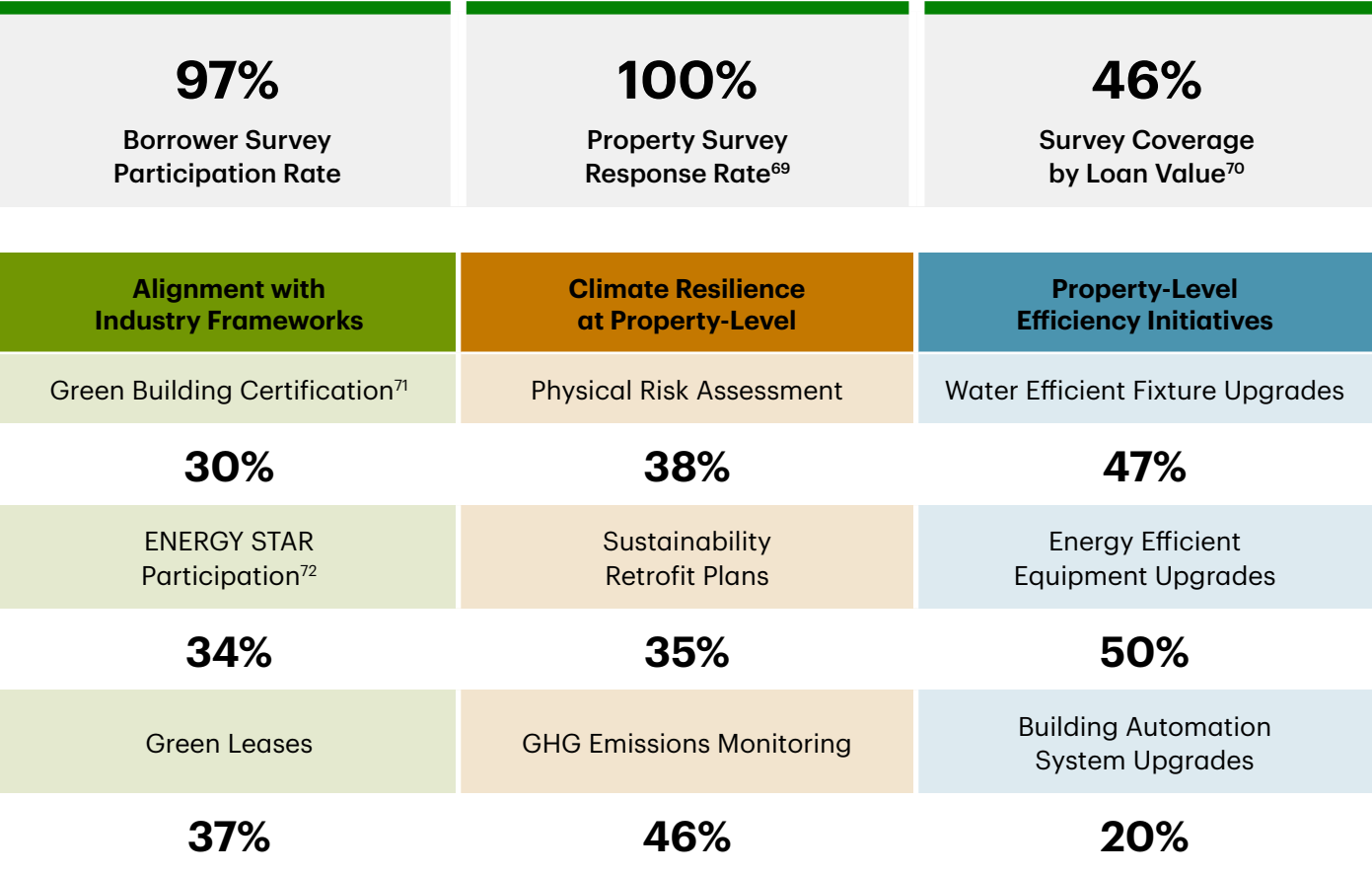
Borrower ESG or Sustainability Policies, Objectives, Programs, and Targets

ESG or Sustainability Policy	Corporate ESG or Sustainability Objectives	Sustainability Tenant Engagement Programs	Active Green Lease Policy	Active Portfolio Sustainability Targets
63%	67%	52%	43%	59%

Source: TDAM. As of December 31, 2025.

⁶⁶ Based on conventional commercial mortgages serviced by GMI Servicing Inc. only. The 2025 ESG Borrower Survey reflects responses received as of December 31, 2025 for a reporting period of January - December 2024.
⁶⁷ GRESB is a mission-driven and investor-led organization providing standardized and validated ESG data to the capital markets. GRESB is the leading ESG benchmark for real estate and infrastructure investments across the world.

Figure 17: 2025 Property ESG Survey Results⁶⁸



Source: TDAM. As of December 31, 2025.

Survey

⁶⁸ Based on conventional commercial mortgages serviced by GMI Servicing Inc. only. By loan value as of Dec 31, 2025.

⁶⁹ By total property count. Based on conventional commercial mortgages serviced by GMI Servicing Inc. only. The 2025 ESG Property Survey reflects responses received as of December 31, 2025 for a reporting period of January - December 2024.

⁷⁰ Based on conventional commercial mortgages serviced by GMI Servicing Inc. only relative to the total portfolio mortgage value. Based on value as of December 31, 2025.

⁷¹ Includes Leadership in Energy and Environmental Design (LEED), Building Owners and Managers Association Building Environmental Standards (BOMA BEST), or Certified Rental Building (CRB) certifications. References: LEED (<https://www.cagbc.org/our-work/certification/leed/>), BOMA BEST (<https://bomabest.org/>), CRB (<https://frpo.org/resources/certified-rental-building-program.html>)

⁷² Source: <https://natural-resources.canada.ca/energy-efficiency/energy-star-canada/energy-star-for-buildings/3691>

ESG Funds

Over the last few years, TDAM has expanded its offering of ESG funds. These funds seek to provide a more focused avenue for clients to achieve their ESG-oriented objectives. Information about TDAM's ESG funds is provided below.

Fund	Description
Mutual Funds⁷³	
TD North American Sustainability Equity Fund	Seeks to achieve long-term capital appreciation while following a socially responsible approach to investing.
TD North American Sustainability Balanced Fund	Seeks to earn income with the potential for capital appreciation while following a socially responsible approach to investing.
TD North American Sustainability Bond Fund	Seeks to earn current income by investing primarily in North American fixed income securities, while following a socially responsible approach to investing.
Pooled Fund Trusts⁷⁴	
TD <i>Emerald</i> Low Carbon Global Equity Index Pooled Fund Trust	Seeks to provide performance similar to the performance of the MSCI World Low Carbon Target Index or any other index, as determined by TDAM, used to track the performance of developed market equity securities and to have a lower carbon exposure than a broad developed markets equity index.
TD <i>Emerald</i> Low Carbon Global Equity Index Non-Taxable Investor Pooled Fund Trust	Seeks to provide performance similar to the performance of the MSCI World Low Carbon Target Index or any other index, as determined by TDAM, used to track the performance of developed market equity securities and to have a lower carbon exposure than a broad developed markets equity index.
TD <i>Emerald</i> Low Carbon / Low Volatility Global Equity Pooled Fund Trust	Seeks to provide less than half the carbon footprint and a better risk-adjusted total return than a capitalization-weighted market index such as MSCI World Index or any other index, as determined by TDAM, used to track the performance of developed market equity securities over a full market cycle.
TD Greystone Infrastructure Fund (Canada) L.P. TD Greystone Infrastructure Fund (Canada) L.P. II	Seek to deliver strong long-term returns by investing in a diversified portfolio of direct global infrastructure investments. The funds have a core-plus orientation, investing primarily in core operating assets, but also with the opportunity to add value through construction and greenfield development. The funds are open-ended, aligning the long-term cash flow of infrastructure investments with the investment time horizons of clients.

⁷³ For more information regarding a specific fund's investment objectives and strategies, please refer to the fund's simplified prospectus available on TDAM's website at <https://www.td.com/ca/en/asset-management/resources/fund-documents>

⁷⁴ Documents and reports for Pool Fund Trusts are available to qualified investors by contacting a TDAM Relationship Manager.

TD North American Sustainability Equity Fund

ESG in Action - Working to Align the Portfolio to SDGs

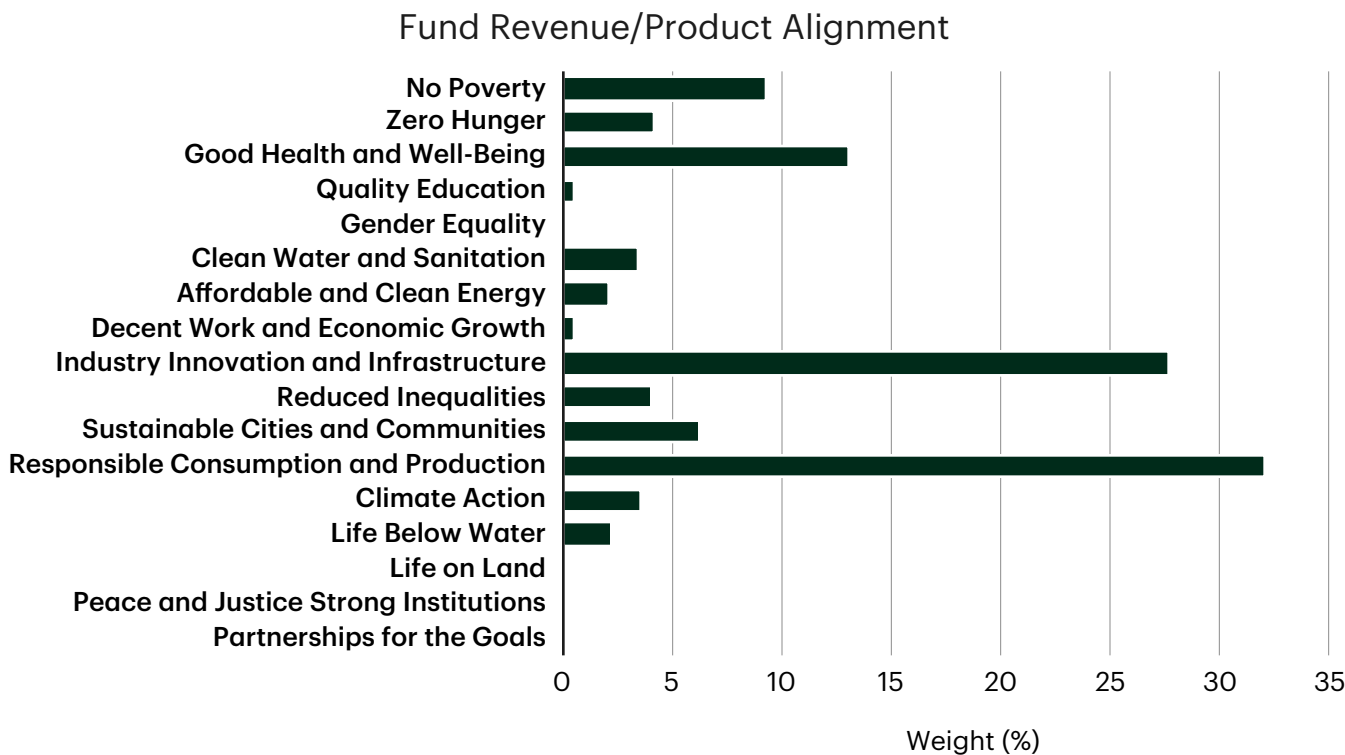
The investment process of the TD North American Sustainability Equity Fund is rooted in bottom-up stock selection. It starts with identifying high quality compounders – industry leaders with a sustainable competitive advantage, as evidenced by high returns on capital, strong balance sheets and management teams with a track record of allocating capital efficiently.

From there, we positively screen for sustainable leaders, which are defined as companies that make positive contributions towards the UN Sustainable Development Goals (SDGs), either through their products and services or through operational practices.

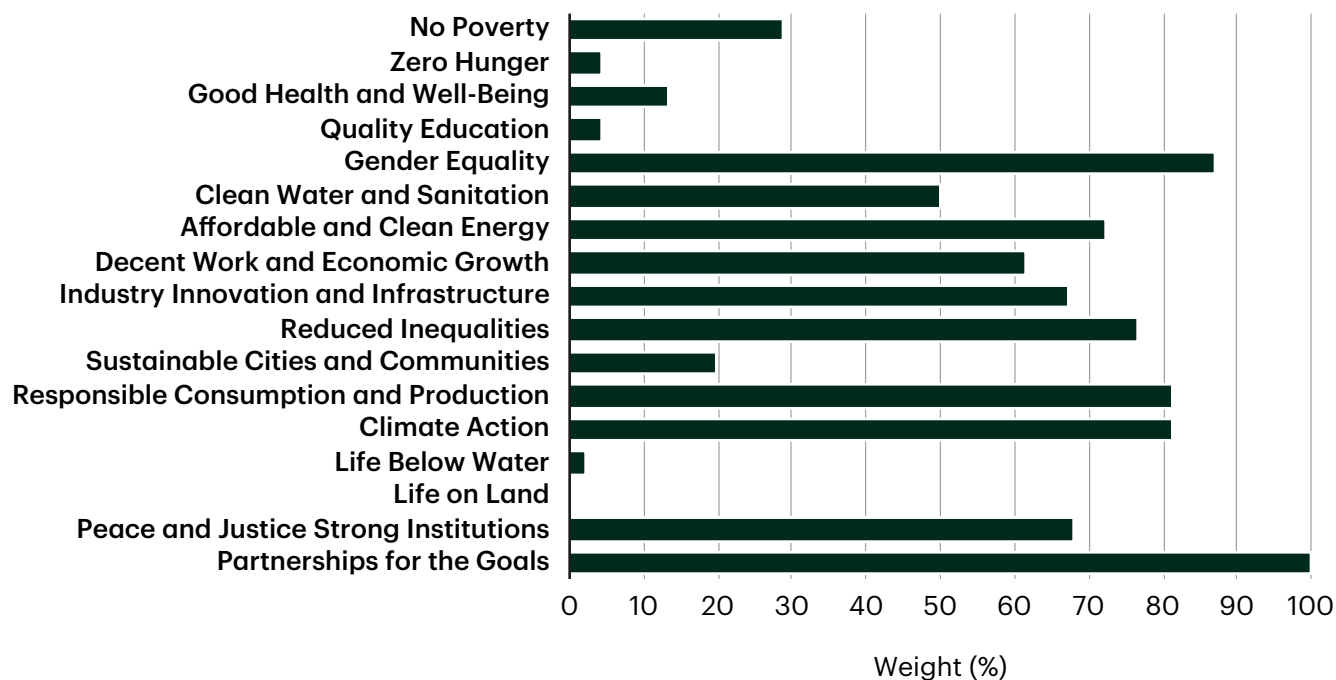
The TDAM Fundamental Equity team research analysts assess companies’ SDG alignment by incorporating broad data sources, including companies’ sustainability reports, industry data and third-party ESG data. Not all companies clearly disclose or measure their impacts, and third-party research is limited in scope. To improve SDG impact measurements and reporting, where possible, we ask companies to quantify and report on their impacts related to the SDGs. We also engage brokers and ESG data providers by asking for further development and expansion in SDG-linked data.

The TD North American Sustainability Equity Fund is a strategic solution focused on achieving long-term capital appreciation, where each portfolio holding company has been assessed by TDAM to be positively contributing towards the SDGs. Our process, which is rooted in fundamentals and guided by the SDG framework, is aimed towards helping the fund continue to achieve its objectives over its initial five years and beyond.

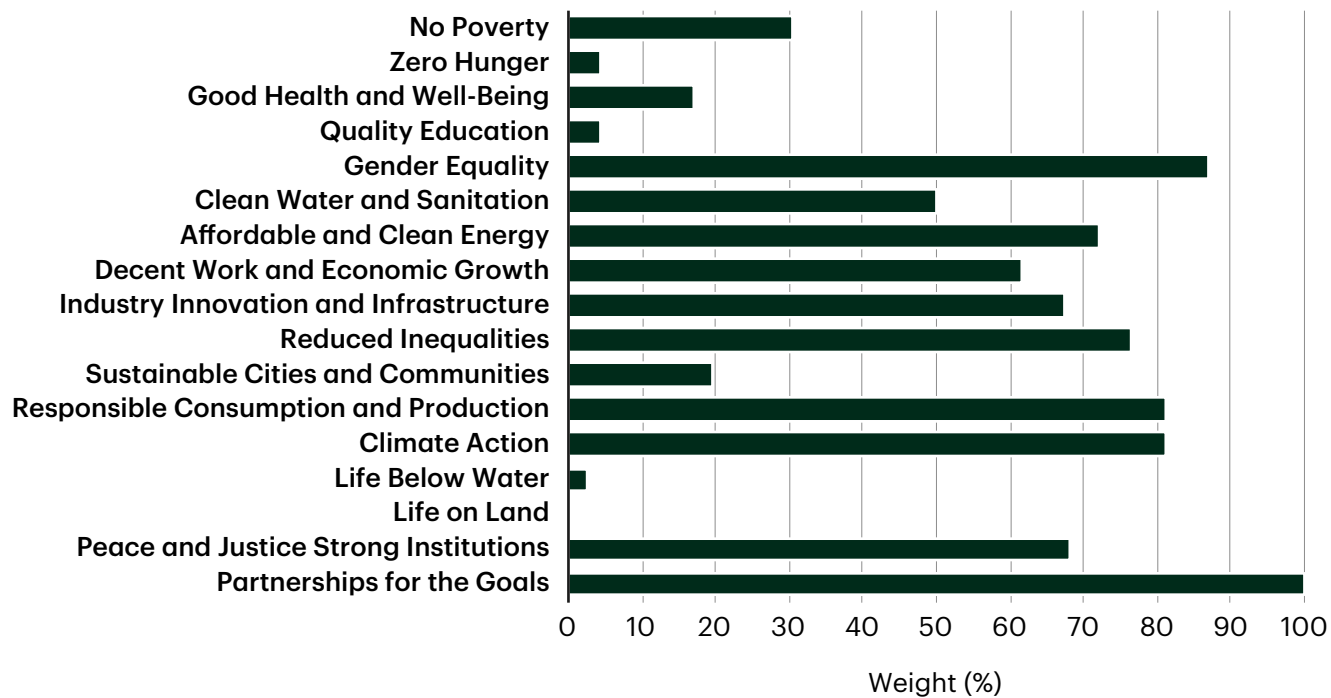
Figure 18: TD North American Sustainability Equity Fund Alignment with UN SDGs



Fund Operational Alignment



Fund Overall Alignment



Source: Company reports, MSCI, TDAM. As of October 31, 2025.

The TD North American Sustainability Equity Fund focuses on so-called ESG enablers. These are companies which help their customers navigate long-term sustainability trends or changes in their end markets, such as decarbonization, water infrastructure, recycling, health and safety. As a result, we have been long-term shareholders of life sciences tools and services companies that enable the ongoing shift to biologic therapies and growth in biologics research and development; construction and engineering companies that are essential enablers, helping our cities and environments prepare for the future; and consumer discretionary companies which enable healthier lifestyles.

One of the key themes in 2025 was AI. There's no doubt that AI infrastructure spending and productivity improvement will drive global economic growth; however, we believe that AI is more than a growth engine. It also enables sector transformation and innovation. For example, AI accelerates drug discovery, enhances diagnostics, and boosts productivity and profitability through risk modelling, automation and customer personalization. A company in the technology sector, one of the fund's largest holdings,⁷⁵ has committed to partnering with local utilities to fund water infrastructure upgrades, adopting water reuse systems to protect community resources, and replenishing more water than its operations withdraw. These efforts illustrate how the tech sector can lead in sustainable resource management to support both innovation and local resilience.

In 2025, we initiated a position in a fitness brand. The brand is a large U.S.-based gym with more than 2,500 locations, offering 24/7 gym access to those who are looking to get fitter. Fundamentally, our thesis is based on positive secular growth and its defensive franchise model with unit economics that provide visibility into greater demand and sustainable share gains. Furthermore, the company's business model promotes accessible health and wellness—an SDG-aligned outcome. Its scalable franchise structure, inclusive pricing, and strong unit economics make it a compelling investment from both a financial and sustainability perspective.

Strategic

⁷⁵ As of October 31, 2025.

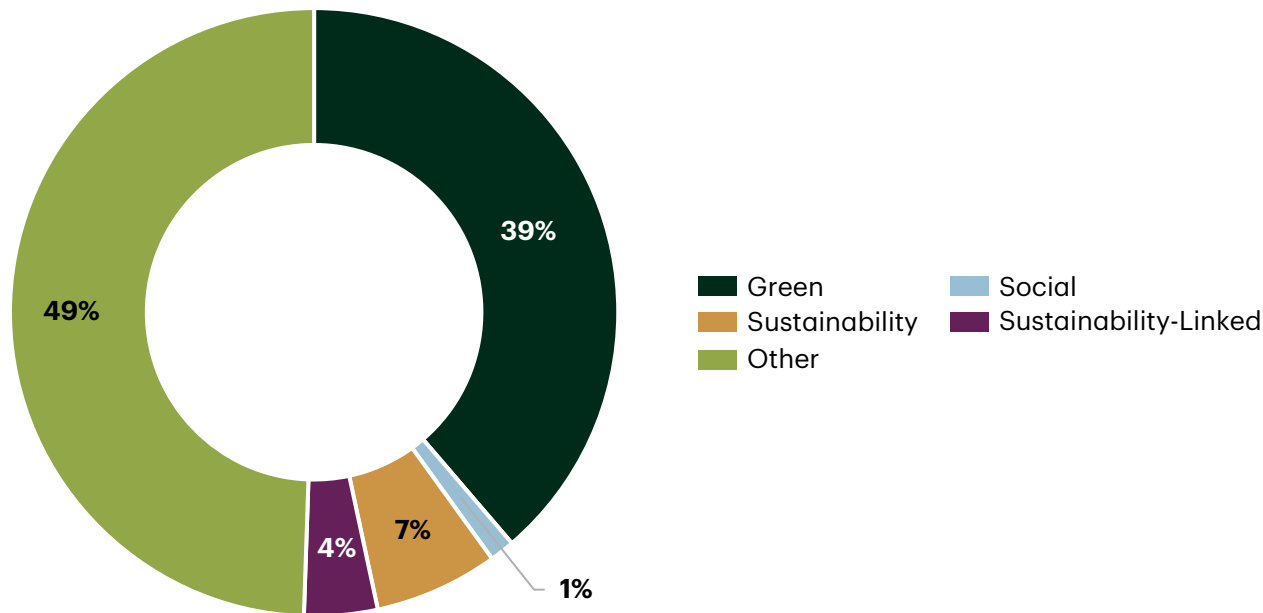
TD North American Sustainability Bond Fund

The portfolio adviser seeks to achieve the fundamental investment objective of the TD North American Sustainability Bond Fund by investing primarily in a diversified portfolio of fixed income securities of North American issuers. The bond investments will tend to focus on corporate bonds, which may include non-investment-grade bonds, using rigorous bottom-up security selection while also being mindful of the macro environment.

In determining whether a bond or fixed income security is appropriate for investment from an ESG perspective, the portfolio adviser performs a thorough review of the issuer’s overall creditworthiness and ESG characteristics. This review and evaluation include an analysis of related qualitative and quantitative characteristics, such as consideration of 26 sub-categories identified by the portfolio adviser as key ESG risk criteria because these criteria are primarily defined by the SDGs. Such sub-categories include, but are not limited to, climate change, natural capital, pollution/waste, human capital (i.e., labour management, health and safety), and corporate governance and behaviour. With this process, the portfolio adviser designates an internal credit rating or credit quality score for the issuer. An internal ESG risk score for the issuer and separate scores for the ESG risks of the issuer are also assigned.

A significant portion of the portfolio will also be allocated to what the portfolio adviser views as green, social, sustainability and/or sustainability-linked bonds. The bonds will be considered if they have strong sustainability characteristics and/or positively contribute toward the SDGs.

Figure 19: TD North American Sustainability Bond Fund Breakdown of Bonds by ESG Label



Source: TDAM. As of October 31, 2025.

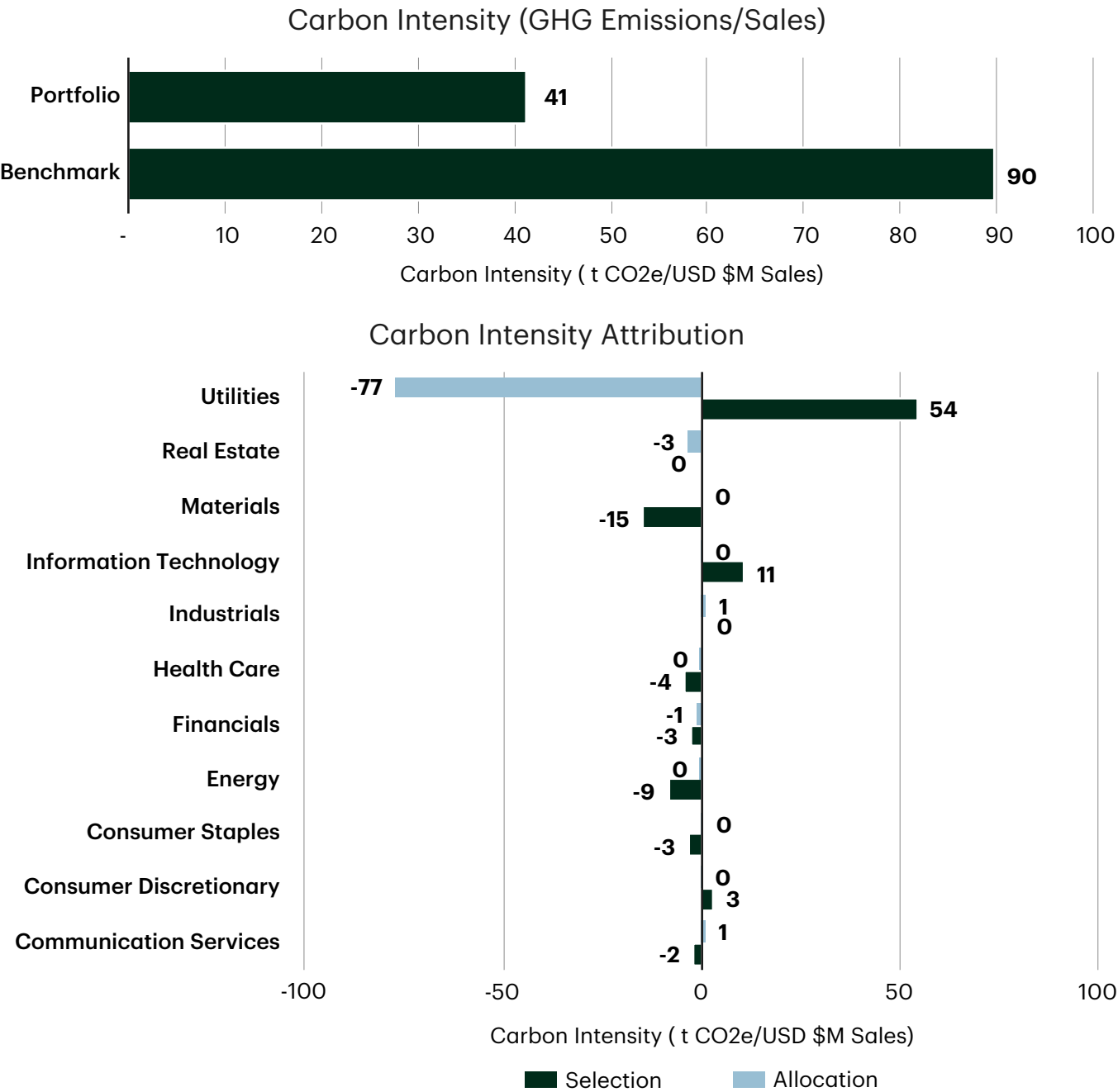
TD Emerald Low Carbon / Low Volatility Global Equity Pooled Fund Trust

The TD *Emerald* Low Carbon/Low Volatility Global Equity Pooled Fund Trust seeks to build a portfolio of stocks that is less volatile than the broad market, while also mitigating exposure to transition risks from high-carbon-emitting companies. To this end, the fund seeks out stable, high-quality companies with low price volatility that also emit lower levels of carbon emissions per unit of revenue relative to their peer group.

Over the years, TDAM’s research suggests that the carbon footprint of a low volatility portfolio can be reduced without compromising its defensive and risk reduction capabilities. While not all companies publicly disclose carbon emissions, where possible we rely on multiple data sources and providers to offer proxies for reported emissions, although data is not always available. We routinely engage and challenge ESG data vendors to

ensure that the data we receive is reasonably reliable. Additionally, to moderate potential stranded asset risk, the fund also precludes investments in companies with operations linked to thermal coal extraction and power generation as well as oil sands extraction.

Figure 20: Carbon Intensity for TD *Emerald* Low Carbon / Low Volatility Global Equity Polled Fund Trust vs. MSCI World Total Return Index



Source: TDAM. As of October 31, 2025.

Thought Leadership, Consultations and Industry Contributions

TDAM regularly publishes thought leadership on a variety of subjects both in external publications and on our own channels. TDAM leverages expertise from across the firm to contribute to research pieces covering a range of ESG topics.

Thought Leadership Articles – 2025

Investor Considerations for Assessing ESG Metrics in Executive Compensation Plans

TDAM, April 2025

It is important for investors to recognize that independent directors are often in the best position to design programs which incentivize management to create long-term value. This is due to the fact that independent directors acting from within the tent are far more familiar with the unique circumstances of a company than outside observers are. However, while deferring to the board and entrusting it to do what is best for shareholders, investors should take an active role in verifying whether their fiduciaries are properly discharged. As portfolio companies continue to consider ESG performance metrics in their compensation plans, investors must regularly engage with compensation committees on these topics, using a framework approach to remain active and responsive stewards of capital.

The Role of Critical Minerals in the Energy Transition

TDAM, August 2025

Critical minerals are the backbone of the global clean energy transformation. Despite their importance, the path from mine to market is increasingly complex — shaped by geopolitical risk, environmental externalities and growing social expectations. To meet rising demand while ensuring long-term sustainability, governments and investors must look beyond securing access to critical minerals. They must champion innovation in recycling, fast-track supply diversification and integrate ESG principles into the core of mineral sourcing strategies. Only then can the global race for critical minerals serve as a catalyst — rather than a contradiction — to the energy transition.

Aligning Capital with Global Progress: Investing with the UN's Sustainable Development Goals

TDAM, November 2025

SDGs were adopted in 2015 by UN member states as a shared global framework to address the world's most pressing challenges. The SDG framework provides investors with both a directional compass and an actionable toolkit. By incorporating SDG indicators into investment analysis, sector targeting and regional allocation, investors can potentially move from ESG objectives to measurable outcomes. As disclosure standards evolve and sustainable investment expands, investors who adopt SDG-aligned thinking today may be better positioned to capture long-term growth opportunities and mitigate ESG risks.

Training and Education Opportunities

The TDAM Sustainable Investment team led a number of internal training sessions to improve TDAM professionals' understanding of ESG factors that may impact the investment landscape. These sessions covered current industry trends, regulatory developments and effective implementation strategies that may be helpful to furthering TDAM's sustainable investment approach.

TDAM professionals also participated in external training and continuing education opportunities. Multiple team members obtained the CFA Sustainable Investing Certificate.⁷⁶

TDAM professionals also attended relevant conferences throughout the year to share ideas and insights and learn from industry leaders.

⁷⁶ The Sustainable Investing Certificate, backed by CFA Institute, equips candidates with the skills to incorporate ESG factors (environmental, social, and governance) into investment decision-making process capabilities. Source: <https://www.cfainstitute.org/programs/sustainable-investing-certificate>

TDAM Industry Memberships

Organization	Description
Canadian Coalition for Good Governance (CCGG)	Representing approximately 50 major institutional investors who collectively manage approximately \$6 trillion in assets, the Canadian Coalition for Good Governance (CCGG) promotes high standards of corporate governance and investor stewardship in Canada through its various programs, committees and advocacy efforts.⁷⁷ TDAM is an active member of CCGG and participates in policy and member advocacy through representation on CCGG's Public Policy Committee.
UN Principles for Responsible Investment (PRI)	The PRI works with its international network of signatories to put its six Principles for Responsible Investment into practice. Its goals are to understand the investment implications of ESG issues and to support signatories in integrating these issues into investment and ownership decisions.⁷⁸ TDAM is a signatory to the PRI and a member of several PRI-led initiatives, including the PRI Advance, Collaborative Sovereign Engagement on Climate Change Canadian Program and the PRI Global Policy Reference Group. As a signatory to the PRI, we are required to report on our activities, which allows us to benchmark our progress against peers, identify gaps and drive internal progress. As a PRI signatory, TDAM participates in a number of PRI-led initiatives such as those listed below.
PRI Sovereign Engagement on Climate Change Canadian Program	The Collaborative Sovereign Engagement on Climate Change Canadian Program is a PRI initiative that enables investors to have dialogues with governments on how climate change impacts their debt profile and how they can better manage portfolio risks and opportunities. Through the initiative, 25 domestic and global investors are seeking to engage with Canadian governments on climate change issues.⁷⁹ TDAM is a member of the Canadian Signatory Advisory Committee and a lead investor for one of the provincial engagement groups. TDAM has significant exposure to federal and provincial debt, as well as the Canadian economy more broadly through all asset classes. The program offers a valuable opportunity to foster a sustained dialogue between governments in Canada and investors on mutual interests to address financially material risks and opportunities related to climate change.

⁷⁷ <https://ccgg.ca/>

⁷⁸ <https://www.unpri.org/about-PRI/what-principles-for-responsible-investment>

⁷⁹ <https://public.unpri.org/download?ac=23909>

Organization	Description
PRI Advance Stewardship Initiative for Human Rights and Social Issues	This initiative is a collaborative effort led by institutional investors to mitigate risks around human rights, promoting respect for these rights and social responsibility through investor stewardship. Its main objective is to encourage companies and decision makers to adopt better policies and practices to ensure proper oversight and mitigation of human rights risks that can negatively impact workers and communities and pose challenges to operations.⁸⁰ TDAM has actively participated in the initiative as a lead investor for one company engagement and a collaborative participant for another. We have periodically engaged these companies to better understand their human rights oversight structure, policies and practices and to encourage improvements where appropriate. TDAM believes that the protection of human rights should be a core policy for investee companies to prevent human rights abuses across corporate supply chains and in-house labour or local communities, particularly given the growing regulatory efforts to prevent human rights violations. Companies found to be complicit in human rights abuses face regulatory, legal and reputational risks, as well as potential operational challenges.
Global Real Estate Sustainability Benchmark (GRESB)	GRESB is an industry-driven organization committed to assessing the sustainability performance of real assets and portfolios around the globe, including real estate, infrastructure and mortgages. It provides a consistent methodology and framework for measuring ESG performance along with actionable insights and benchmark data.⁸¹ TDAM participates in GRESB assessments across its Private Market strategies. We also actively participate in consultations and discussion forums with GRESB leadership and other stakeholders, including the GRESB Lender Roundtable and annual regional events. Participation in the assessment and collaboration forums with GRESB and other peers enables TDAM to provide feedback on the evolution of the assessment framework, stay informed on changes in each assessment year, and understand the strategic direction of GRESB over the longer term.
Responsible Investment Association (RIA)	The Responsible Investment Association is Canada's investment industry association and it aims to increase responsible investment in the country's financial ecosystem. RIA's membership includes asset managers, asset owners, advisors and service providers.⁸² TDAM is a Sustaining Member of RIA. TDAM is also an institutional investor signatory to RIA Canada's Canadian Investor Statement on Diversity and Inclusion, a statement that acknowledges the existence of systemic racism and its impacts on Black and Indigenous communities and People of Colour in Canada and globally. The mission of RIA is aligned with our aim of integrating ESG factors where material or relevant into the investment decision-making process. The RIA also provides valuable opportunities to engage on relevant policy-related items in the Canadian market.

⁸⁰ <https://public.unpri.org/investment-tools/stewardship/advance>

⁸¹ <https://www.gresb.com/>

⁸² <https://www.riacanada.ca/about/>

Organization	Description
30% Club Canada Investor Group	The 30% Club Canadian Investor Group is an investor-led campaign focused on increasing gender diversity within Canadian corporate boards and executive leadership teams. Its primary goal is to achieve at least 30% female representation, viewing gender diversity as vital for sound corporate governance. The group engages with companies, urging them to adopt transparent diversity policies, structured nomination processes, and regular performance assessments to support this objective.⁸³ As a member, TDAM actively promotes and supports gender diversity on corporate boards and executive teams. TDAM has led a few engagements under this effort, engaging with corporate leadership to emphasize the importance of diversity and inclusion and related policies, practices and disclosures that align with best practice. TDAM believes that diverse backgrounds, perspectives and professional experiences at the board level and in executive leadership contribute to strong oversight and management of material risks and opportunities for our investee companies. We believe that when a company's leadership and workforce reflect its customer base and the societies in which it operates, the company can better understand its operating environment, which can improve long-term corporate performance.
Climate Engagement Canada (CEC)	Climate Engagement Canada is a finance-led initiative that drives dialogue between the financial community and corporate issuers to promote a just transition to a net-zero economy.⁸⁴ TDAM leads four CEC engagement groups and participates in one additional group. TDAM is also represented on the CEC Technical Committee and the Industry Leaders Advisory Panel. TDAM has significant exposure to many companies in the Climate Engagement Canada benchmark. Participating in the initiative is aligned with our goal of understanding and mitigating material climate risks within our portfolios.
International Corporate Governance Network (ICGN)	Established in 1995 and led by investors responsible for assets under management of more than US\$90 trillion, ICGN advances high standards of corporate governance and investor stewardship globally. TDAM has been a member of ICGN since 2021. Annually, representatives from various TDAM teams attend and/or speak at ICGN conferences worldwide, and they contribute to policy developments and advocacy globally through ICGN informal working groups and via ICGN's Global Policy Committee. TDAM's Head of Sustainable Investment also steers overall direction and oversight as a member of ICGN's Board of Governors.⁸⁵

⁸³ <https://30percentclub.org/chapters/canada/>

⁸⁴ <https://climateengagement.ca/about/>

⁸⁵ <https://www.icgn.org/about>

Organization	Description
Canadian Fixed Income Forum Sustainable Finance Virtual Network⁸⁶ (CFIF SFVN)	The CFIF SFVN is a group of financial market participants who are willing to contribute to the development of sustainable finance and to work towards mobilizing the industry to support the transition towards a sustainable economy. Its role expands beyond information sharing. Leveraging CFIF, the SFVN works towards effecting advancement in incorporating sustainable finance into mainstream finance. The SFVN comprises five Streams with different mandates assigned to specific areas of Canadian ESG capital markets. TDAM is represented on the CFIF SFVN, the Natural Capital Stream and the Indigenous Bond Stream. TDAM is a significant investor in Canadian Fixed Income markets and our membership in the CFIF SFVN is aligned with our interests in the long-term sustainability of the market.
REALPAC Sustainability Committee (Committee)	The Committee's purpose is to serve as a forum for sustainability experts within the Canadian real property sector to share knowledge on best practices and drive industry-wide action on sustainability.⁸⁷ TDAM actively participates as a committee member, collaborating with industry peers, sharing feedback, and contributing to publications and resources. The Committee allows TDAM to gain insights on emerging best practices, regulatory shifts, and strategic opportunities to ensure the Canadian real estate portfolio maintains a standard of excellence in sustainability. Active membership also allows TDAM to provide input on industry.

Expertise

⁸⁶ <https://www.bankofcanada.ca/wp-content/uploads/2021/07/toc-sustainable-finance-virtual-network.pdf>

⁸⁷ <https://realpac.ca/committees/sustainability-committee/>

Looking Ahead

In 2026, the landscape of sustainable investing continues to evolve. Investors and stakeholders are navigating new realities shaped by geopolitical shifts, climate impacts, social dynamics, and regulatory and policy changes. Drawing on our latest priorities and market insights, we see the following key themes that we expect will continue to define sustainable investment strategies for the rest of the year.

Reframing of Defense Investments

Historically, defense investments have been viewed with caution by ESG-focused investors in part due to reticence to associate with war and conflict. However, recent geopolitical tensions and the need for national security have prompted a reassessment. Defense is increasingly seen as a legitimate component of sustainable portfolios, provided that companies demonstrate responsible practices and transparency. While controversial weapons remain unacceptable under most responsible investment frameworks, this shift reflects a broader trend: ESG frameworks are adapting to real-world complexities, balancing ethical considerations with pragmatic risk management.

Energy Transition Continues with AI Complexity

The momentum behind the energy transition remains strong. Decarbonization pathways, especially sector-specific approaches, remain key research and thought leadership priorities for TDAM's stewardship program. Investments in renewables, grid modernization and low-carbon solutions are accelerating, driven by both regulatory mandates and investor demand. Scenario analysis is increasingly used to assess transition risks and opportunities, ensuring portfolios are resilient to policy shifts and technological disruption. In the energy transition space, the International Energy Agency reports that approximately US\$2.2 trillion is going collectively to clean energy such as renewables, nuclear, power grids, storage, low-emissions fuels, efficiency and electrification in 2025. This is double that of fossil fuel investments going to oil, natural gas, and coal⁸⁸. This will continue to get more complex with the energy demands from AI. The future looks heavy on nuclear and renewables.

Physical Climate Risk Demonstrate Immediate Materiality and Long-term Opportunity

Physical climate risks such as extreme weather, flooding and wildfire are now recognized as immediate, material threats to asset values and business continuity. Figures in the insurance industry estimate that worldwide natural catastrophes resulted in almost \$140 billion in insured losses globally in 2024, underscoring the urgent need for adaptation strategies⁸⁹. Investors are prioritizing geo-location risk identification and modelling to quantify these impacts.⁹⁰ At the same time, long-term opportunities are emerging in climate adaptation technologies, resilient infrastructure, and insurance solutions such as catastrophe bonds. The dual focus on risk mitigation and opportunity capture will be informative in shaping portfolio construction and stewardship priorities as we look forward.

Regional Divergence in Shareholder Rights and Governance

Regional divergence in shareholder rights and governance standards is becoming more pronounced. Proxy voting, stewardship and engagement strategies must be tailored to local contexts, with a focus on transparency and accountability. In 2026, our priorities include aligning stewardship activities with investment processes and identifying firm-wide governance themes that resonate across markets, such as climate, executive compensation and AI governance.

Inequality as a Systematic Challenge to Stability

Global economic and social inequality across countries is surfacing as a major, systematic risk to both political and economic stability. An OECD study in November 2025 cited that 83% of countries have high income inequality (using the World Bank definition of 'high inequality' as a Gini coefficient above 0.4).⁹¹ These countries account for 90% of the world's population. Recent geo-political trends highlight societal upheaval due to growing inequality as a critical theme.

Long-term investors value stability for sustainable economic growth, so cost of living and affordability are showing up as key themes. When inequality increases, trust in institutions declines, economic growth stagnates, and companies and businesses

⁸⁸ Source: IEA, World Energy Investment 2025, <https://www.iea.org/reports/world-energy-investment-2025/executive-summary>

⁸⁹ Source: <https://www.swissre.com/institute/research/sigma-research/sigma-2025-01-natural-catastrophes-trend.html>

⁹⁰ <https://www.responsible-investor.com/physical-climate-risk-data-the-more-you-learn-the-less-you-know/>

⁹¹ <https://ipdcolumbia.org/wp-content/uploads/2025/11/2-G20-Global-Inequality-Report-Full-and-Summary.pdf>

that rely on consumption and spending suffer. This phenomenon will remain topical in the sustainable investment landscape for the rest of the year.

In summary, sustainable investment themes for 2026 reflect a changing world where risk and opportunity are deeply intertwined. This reinforces our belief in our sustainable investment approach and our continued focus on ESG integration by leveraging scenario analysis, sector research and best practices to inform investment decisions. We intend to remain committed to stewardship and engagement by improving alignment with investment processes. We plan to continue to be agile in thought leadership to stay ahead of policy, technological and societal shifts that impact capital markets.

Looking Ahead

TDAM Climate Report 2025

Strategy

As an asset manager with investments in both public and private financial markets that span different geographies, we recognize that climate-related risks are wide-ranging and can impact both TDAM as an entity, as well as the underlying assets in which TDAM invests. Most of TDAM's public market investments are held for periods spanning one to five years or more than five years. The impacts of climate change are typically considered over these periods.

For a full description of the different types of climate-related risks that TDAM, and the assets we manage, may be exposed to and for information on the steps TDAM takes to mitigate these risks, please see the [Risk Management](#) > section of this report.

Climate Risks and Opportunities

Physical climate risks arise from the consequences of a changing climate. These include acute physical risks, which stem from extreme weather events happening with increasing severity and frequency (e.g., wildfires, floods and hurricanes), and chronic physical risks, which stem from longer-term progressive shifts in climatic and environmental conditions (e.g., rising sea levels and global warming).

Transition risks arise from the process of shifting to a low-carbon economy, influenced by new and emerging climate-related public policies and regulations, technologies, stakeholder expectations and legal developments. Efforts to mitigate and adapt to climate change also produce opportunities for organizations - for example, through resource efficiency and cost savings, the adoption of low-emission energy sources, the development of new products and services, access to new markets, and building resilience along the supply chain.

Our Operational Emissions

Footprint

TD Bank Group measures and reports on operational emissions, which encompasses our Scope 1 and Scope 2 emissions, as well as other Scope 3 non-financed GHG emissions, including those related to TDAM's operations.

Targets

In 2020, TD announced its Climate Action Plan, including a target to achieve net-zero GHG emissions associated with its operations and financing activities by 2050. In 2021, TD announced its first science-based interim target to achieve an absolute reduction in Scope 1 and Scope 2 GHG emissions by 25% by 2025, relative to a 2019 baseline. This target included the GHG emissions related to TDAM's operations. TD achieved this target.

TD set its next interim target to achieve a 46.2% reduction in its operational GHG emissions (Scope 1 and 2) by 2030, compared to a revised 2019 baseline. This target also includes the GHG emissions related to TDAM's operations. For more details, see TD's Sustainability Report "Our Approach to Operational Emissions Target (Scope 1 and 2 GHG Emissions) Boundaries."

Our Investment Approach

To address climate-related risks and opportunities within applicable portfolios, we are focused on the following:

1. **Monitoring climate risks and opportunities in investments:** We continue to monitor and evaluate material climate-related risks and opportunities where data allows, including in our fund quarterly performance reviews with our CIO. Where aligned with the investment objective or strategies of a fund or mandate, TDAM has made investments in areas such as utility-scale solar and battery storage. We will continue to look for these opportunities where risk and expected returns align with the firm's profile, particularly through our Private Market strategies (infrastructure and real estate).
2. **Increasing transparency:** Subject to data availability, we continue to track and disclose the GHG emissions associated with our investments on an aggregate level, following TCFD guidance for asset managers.
3. **Contributing to industry dialogue:** TDAM monitors and participates in policy engagements with regulators and industry groups as they develop new standards on measuring, managing and reporting on climate risk.
4. **Focusing on climate change through our engagement program:** We encourage, though do not require, companies in our portfolios to assess their environmental impact and their role in the transition economy. Where possible, we conduct these engagements directly. We also engage through industry initiatives, such as Climate Engagement Canada,⁹² and the PRI Collaborative Sovereign Engagement on Climate Change.
5. **Proxy voting:** In the absence of requisite disclosures, TDAM may support proposals seeking basic and enhanced disclosures on how investee companies identify, measure and manage their climate-related risks, as well as proposals calling on investee companies to reduce GHG emissions and set science-based targets. We evaluate advisory votes on climate, often referred to as Say-on-Climate – either proposed by management itself or requested of management by shareholders – on a case-by-case basis.
6. **Supporting our clients' climate objectives:** When our institutional clients set their own climate objectives and targets, we work with those clients and strive to deliver solutions to support such objectives. In 2025, we created customized quantitative equity sustainability solutions to cater to emerging requirements, as discussed in the [ESG Integration – Quantitative Equity section >](#), in accordance with the applicable sustainability policies of institutional clients.

Transparency

⁹² Climate Engagement Canada is a finance-led initiative that drives dialogue between the financial community and corporate issuers to promote a just transition to a net-zero economy.

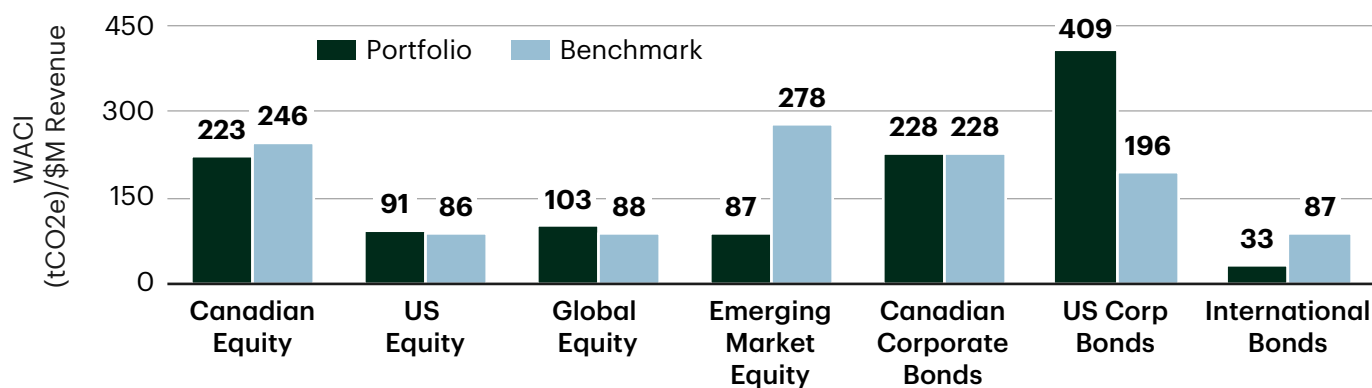
Measuring and Actioning Emissions

To understand the carbon footprint of our public equities and corporate fixed income holdings, we use point-in-time financed emissions metrics, including Weighted Average Carbon Intensity (WACI) and Emissions per Million Dollars Invested. Financed emissions are the GHG emissions associated with the investments TDAM makes, rather than emissions resulting directly from TDAM's operations. Below we show the year-end performance of our holdings on these two metrics.

Figure 21: Equations for Measuring Financed Emissions

Asset Class	Metric	Category	Unit	Definition
Equity and Corporate Fixed Income	Weighted Average Carbon Intensity	GHG Emissions	Tons of carbon dioxide equivalent (tCO ₂ e)/\$M Revenue	Measures a portfolio's exposure to carbon-intensive companies. It is computed as the sum product of the portfolio companies' carbon intensities (normalized over sales) and portfolio weights. $\sum \left\{ \frac{\text{Current value of investment}}{\text{Current portfolio value}} \times \frac{\text{Issuer Scope 1, 2 GHG emissions}}{\text{Issuer revenue (\$M)}} \right\}$
Equity and Corporate Fixed Income	Emissions per Million Dollars Invested	GHG Emissions	tCO ₂ e/\$M invested	Measures the GHG efficiency of a portfolio, defined as the total GHG emissions of the portfolio normalized per million dollars of portfolio value. $\sum \left\{ \frac{\frac{\text{Current value of investment}}{\text{Enterprise value including cash}} \times \text{Issuer Scope 1, 2 GHG emissions}}{\text{Total AUM of fund (\$M)}} \right\}$

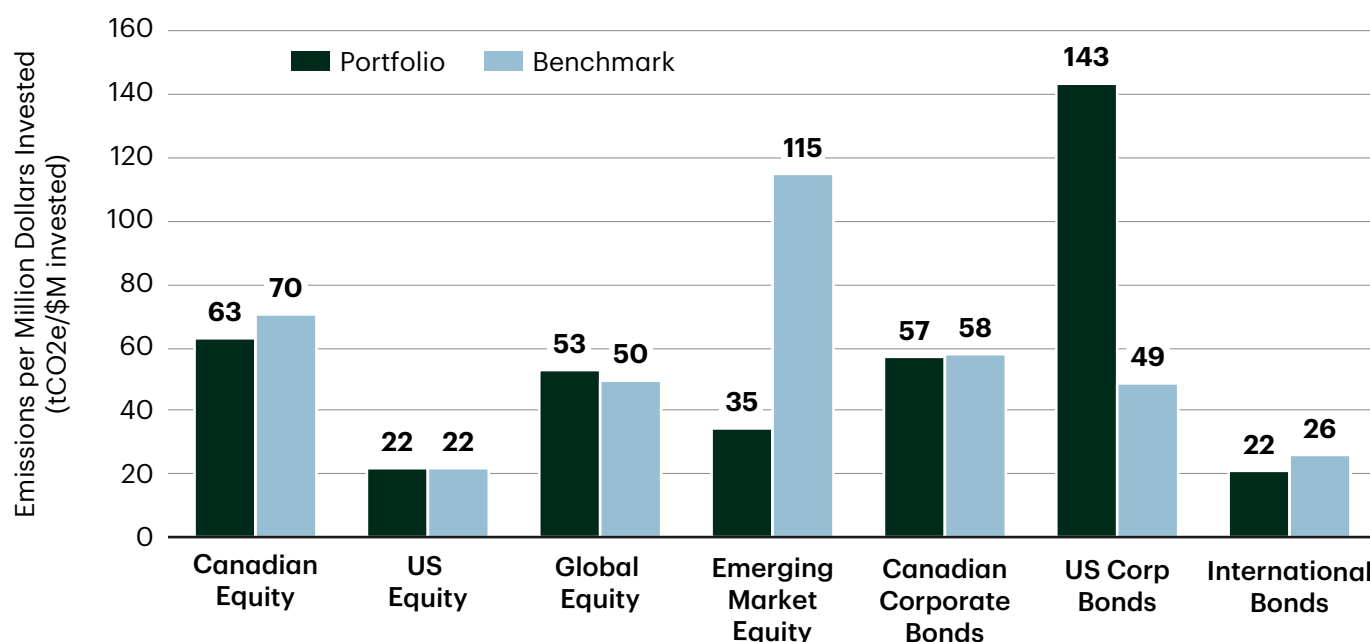
Figure 22: TDAM's Weighted Average Carbon Intensity Versus Benchmark⁹³ at Year-End 2025



Source: MSCI, FactSet, TDAM holdings as of October 31, 2025.

⁹³ Canadian Equity Benchmark = S&P TSX Composite Index; U.S. Equity Benchmark = S&P 500 Index; Global Equity Benchmark = MSCI EAFE Index; Emerging Market Equity Benchmark = MSCI Emerging Market Index; International Corporate Bond Benchmark = Bloomberg Barclays Global Aggregate Corporate Index; U.S. Corporate Bond Benchmark = Bloomberg US Corporate Bond Index; Canadian Corporate Bond Benchmark = FTSE Canada University Corporate Bond Index.

Figure 23: TDAM's Emissions Per \$M Versus Benchmark at Year-End 2025



Source: MSCI, FactSet, TDAM holdings as of October 31, 2025.

Figure 24: TDAM's Year-Over-Year Change in Weighted Average Carbon Intensity and Emissions per Million Dollars Invested Across Regions and Asset Classes

Year-over-Year Change in Weighted Average Carbon Intensity

Asset Class	2025	2024	%
Canadian Equity	222.5	246.1	-10%
US Equity	90.9	106.6	-15%
Global Equity	103.1	82.25	25%
Emerging Market Equity	87.3	135.8	-36%
Canadian Corporate Bonds	227.8	224.2	2%
US Corporate Bonds	409.3	238.9	71%
Global Corporate Bonds	33.4	79.5	-58%

Year-over-Year Change in Emissions per Million Dollars

Asset Class	2025	2024	%
Canadian Equity	63.1	84.2	-25%
US Equity	21.7	30.4	-29%
Global Equity	53.3	49.2	8%
Emerging Market Equity	34.8	54.8	-36%
Canadian Corporate Bonds	56.8	55.5	2%
US Corporate Bonds	143.1	126.5	13%
Global Corporate Bonds	21.5	51.1	-58%

Source: MSCI, FactSet, TDAM holdings. As of October 31, 2025.

Overall, the performance of TDAM's Canadian equity holdings, while closely aligned with the benchmark, stands out as having a high carbon intensity relative to the other portfolios assessed.

We believe this reinforces our focus on high-emitting Canadian companies through our engagement program and magnifies the potential positive impact of remaining engaged with these companies.

The carbon profile of our most material asset classes as measured by AUM, specifically Canadian and U.S. equities, shrunk year over year. We continue to observe progress from companies in traditionally carbon-intensive sectors such as oil and gas and utilities on reducing carbon intensity.

Within our Canadian equity holdings, our allocations to companies in the oil and gas sector were reduced year over year by 3%, while shifting weightings to companies in traditionally lower-carbon intensive sectors, such as banking and insurance. Within our U.S. equity holdings there was little movement year-over-year in our sector and company allocations. We note that sector allocations will continue to shift over time and may not always result in a lower carbon footprint.

We saw a rise in the global equity carbon profile year-over-year stemming from an increased allocation to an issuer in the cement production sector. While this allocation has increased the carbon profile, we note the issuer has set carbon reduction targets for 2030, which have been validated by a credible third-party organization as aligned with 1.5°C for the cement industry.

Our U.S. corporate bond allocation, which is a small component of TDAM's overall assets, saw a significant increase in its carbon profile year over year. This was largely due to a shift in the sector profile of the assets, with allocation to the utilities sector increasing 4% year-over-year, while the allocation to banking was reduced by 4%. The utility sector is a key player in the rapid data centre buildout happening in the U.S., tapping debt markets⁹⁴ to fund the expansion. There was a record bond issuance by the U.S. utilities sector in 2025, with more expected in 2026, in order to fund the buildout of generation capacity and grid resilience.

⁹⁴ <https://www.bloomberg.com/news/articles/2025-12-20/ai-boom-brings-flood-of-debt-to-ultrasafe-market-credit-weekly>

While year-over-year numbers for our material asset classes reflect an overall improvement in the carbon profile, it is important to emphasize that the future trajectory of these metrics is contingent on real-world emissions reductions, facilitated through continued action and investment from the companies in our portfolio, which crucially must be supported by appropriate policy mechanisms established at the government level. We continue to expend considerable efforts engaging with our portfolio companies in heavy-emitting sectors, such as oil and gas, utilities and construction materials, among others. However, the trajectory of our portfolio emissions will continue to reflect many external factors, including government, regulatory, policy, technological and economic changes.

Sovereign Bonds

In 2023, we included sovereign bonds in our emissions metrics for the first time, following the Partnership for Carbon Accounting Financials (PCAF) publication of methodology for calculating financed emissions for sovereign bonds. As of October 31, 2025, sovereign bonds make up 6% of TDAM’s AUM. TDAM’s sovereign bond exposure is heavily skewed towards the Government of Canada, which comprises 87% of our sovereign bond holdings. A further 10% is U.S. Treasuries. The remaining 5% is comprised of bonds issued by five other sovereign issuers across Europe, South America and Australia.

Sovereign bond emissions are calculated in accordance with PCAF’s definitions and methodology. The table below represents PCAF’s scope definitions for sovereign bonds:

Figure 25: PCAF’s Scope Definitions for Sovereign Bonds

Scope 1	Scope 2	Scope 3
Domestic GHG emissions produced within the country's territory, including emissions from exported goods and services.	GHG emissions occurring as a consequence of the domestic use of grid-supplied electricity, heat, steam and/or cooling which is imported from another territory.	Emissions attributable to non-energy imports as a result of activities taking place within the country's territory.

PCAF has defined the following intensity-based metrics which allow for the comparison of GHG emissions between sovereign issuers:⁹⁵

Figure 26: Equations for Measuring Emissions Intensity of Sovereign Issuers

Metric	Definition
Sovereign production emission intensity	$\frac{\text{Production emissions}}{\text{Purchasing Power Parity – adjusted GDP}} = \frac{\text{Sovereign Scope 1 emissions}}{\text{PPP – adjusted GDP}}$
Sovereign consumption emission intensity	$\frac{\text{Consumption emissions}}{\text{Capita}} = \frac{\text{Sovereign Scope 1 + 2 + 3 – exported emissions}}{\text{Capita}}$

⁹⁵ Source: PCAF, Global GHG Accounting and Reporting Standard for the Financial Industry, (link: <https://carbonaccountingfinancials.com/files/downloads/PCAF-Global-GHG-Standard.pdf>), December 2022

Production emissions are emissions produced domestically, including emissions from domestic consumption and production of exported goods and services. This definition of production emissions aligns with the Scope 1 definition outlined above. The sovereign production emission intensity metric relates a country's production emissions to its output, while accounting for the real size of its economy by removing the exchange rate effect with Purchasing Power Parity-adjusted GDP (PPP-adjusted GDP).

Consumption emissions are a country's domestic emissions, plus the emissions from the production of goods and services which are imported, minus the emissions generated during the production of goods and services which are exported to other countries. This metric accounts for the demand side of sovereign emissions and trade effects, which assigns a level of responsibility for a sovereign's emissions.

Although production emission is frequently the key metric to account for sovereign GHG emissions, PCAF also recommends that financial institutions track the GHG emissions of countries more holistically and report consumption emissions as described above.

Our Emissions per Million Dollars invested are calculated according to PCAF's approach for attributed emissions for sovereign bonds:

$$\text{Attributed emissions} = \frac{\text{Exposure to sovereign bond}}{\text{PPP – adjusted GDP}} \times \text{Sovereign Scope 1 emissions}$$

TDAM uses the metrics below to assess the carbon intensity of our sovereign bond holdings.

Figure 27: Equations for Measuring Financed Emissions for Investments in Sovereign Bonds

Asset Class	Metric	Category	Unit	Definition
Sovereign Bond	Emissions per Million Dollars Invested	GHG Emissions	tCO2e/\$M invested	Measures the GHG efficiency of a portfolio, defined as the total GHG emissions of the portfolio normalized per million dollars of portfolio value. $\sum \left\{ \frac{\frac{\text{Current value of investment}}{\text{PPP-adjusted GDP}} \times \text{Sovereign scope 1 GHG emissions}}{\text{Current value of investment (\$M)}} \right\}$
Sovereign Bond	Weighted Average Production Emissions Intensity	GHG Emissions	tCO2e/\$M PPP-adjusted GDP	Measures a portfolio's exposure to GHG-intensive sovereign issuers. It is computed as the sum product of the portfolio sovereign issuers' production of GHG intensities (normalized over PPP-adjusted GDP) and portfolio weights. $\sum \left\{ \frac{\text{Current value of investment}}{\text{Current portfolio value}} \times \frac{\text{Production GHG emissions}}{\text{PPP – adjusted GDP (\$M)}} \right\}$
Sovereign Bond	Weighted Average Consumption Emissions Intensity	GHG Emissions	tCO2e/capita	Measures a portfolio's exposure to GHG-intensive sovereign issuers. It is computed as the sum product of the portfolio sovereign issuers' consumption GHG intensities (normalized per capita) and portfolio weights. $\sum \left\{ \frac{\text{Current value of investment}}{\text{Current portfolio value}} \times \frac{\text{Consumption GHG emissions}}{\text{Capita}} \right\}$

Figure 28: Sovereign Bond GHG Emissions Metrics⁹⁶

Metric	2025	2024	%
Absolute Emissions (tCO ₂ e)	5,928,391.62	6,406,623.42	-7%
Sovereign Emissions per Million Invested (tCO ₂ e/\$M invested)	289.95	316.10	-8%
Weighted Average Consumption Emissions Intensity (tCO ₂ e/capita)	18.10	16.65	9%
Weighted Average Production Emissions Intensity (excl. Land Use, Land-Use Change and Forestry [LULUCF]) ⁹⁷ (tCO ₂ e/\$M GDP-PPP)	266.58	295.60	-10%
Weighted Average Production Emissions Intensity (incl. LULUCF) (tCO ₂ e/\$M GDP-PPP)	275.76	288.06	-4%

Source: TDAM. As of October 31, 2025.

Given that the makeup of our sovereign bond holdings is primarily comprised of just two issuers, we are not including reference to a benchmark, as we do not believe there is insight to be gained from this comparison. We will, however, monitor year-over-year movements in the sovereign bond-financed emissions figures displayed above.

⁹⁶ These metrics represent all sovereign bonds held across TDAM's funds.

⁹⁷ According to PCAF, there is a divergence of views among emissions data providers and climate experts regarding the accounting of land use, land-use change and forestry (LULUCF) emissions, given significant data uncertainty. Also, LULUCF emissions have the potential to distort the overall trends of the key sectors that contribute to global warming (energy and industrial processes). As countries treat LULUCF emissions differently in their mitigation targets and investors might have diverging views on the potentially offsetting role of land use and forestry emissions, financial institutions should report Scope 1 emissions including and excluding LULUCF.

Portfolio Alignment

We recognize that these point-in-time financed emissions calculations do not tell the whole story of a portfolio or an individual company's approach to climate change. Portfolio alignment tools can help gauge how a company's future climate plans reflect against global climate goals. The portfolio alignment tools detailed below help to inform our strategy at a firm level, particularly how to prioritize engagements with our investee companies and our positions on key shareholder proposals.

Science Based Targets Initiative Alignment

Where data is available, assessing our investee companies that have their climate targets approved by the Science Based Targets initiative (SBTi) or have committed to having their targets verified by the SBTi⁹⁸ is one way we can gauge the overall alignment of our portfolios towards a 1.5° or 2° C warming scenario. The SBTi is a partnership between CDP (formerly the Carbon Disclosure Project), the United Nations Global Compact, the World Resources Institute (WRI) and the World Wide Fund for Nature (WWF).

At the end of 2025, more than 12,000 companies, covering over a third of the global economy's market capitalization, were setting targets or committing to do so via the SBTi, up from 10,000 one year earlier.⁹⁹

The Science Based Targets initiative (SBTi)

- Helps define emissions reductions and net-zero targets in line with climate science
- Provides technical assistance and expert resources to companies which set science-based targets in line with climate science
- Brings together a team of experts to provide companies with independent assessment and validation of targets

It is important to note that SBTi is just one way we can gauge overall portfolio alignment and is not the sole indicator of whether a company is aligned with a 1.5° or 2°C warming scenario or whether a company has put together a strong climate plan. Additionally, SBTi target frameworks are not yet developed for all sectors, limiting their applicability across the entire range of TDAM's holdings.

We are including our overall SBTi alignment within the portfolios assessed as part of 2024's TCFD disclosures and moving forward we will continue to monitor developments related to SBTi.

All but two of the asset classes included in this report showed a modest increase in the weight of portfolio holdings that are aligned or aligning with SBTi.

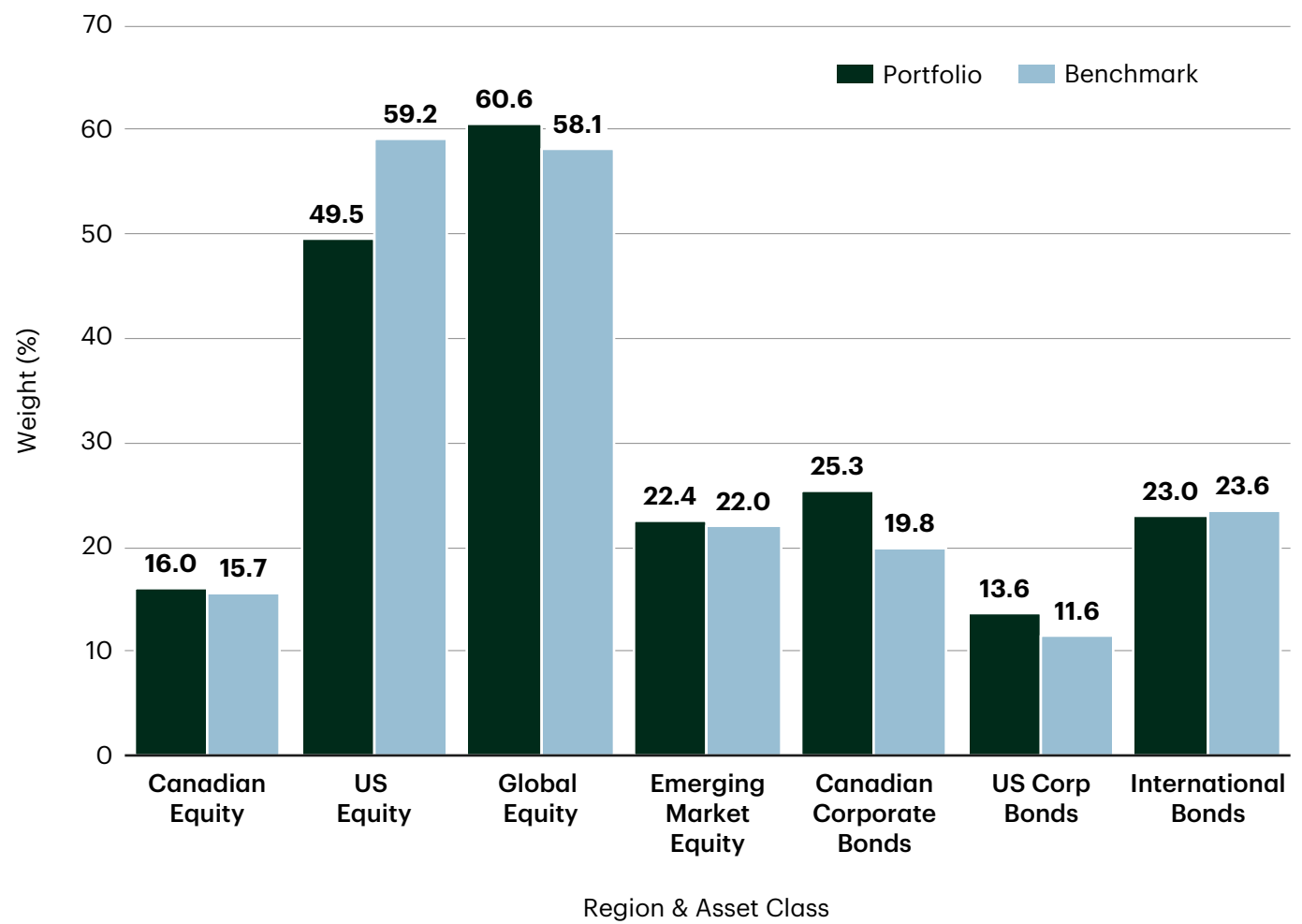
⁹⁸ Commitments demonstrate an organization's intention to develop targets and submit these for validation with the SBTi within 24 months. These organizations do not yet have validated science-based targets. As of March 2, 2023, organizations that fail to submit targets within 24 months of their commitment will be identified as "commitment removed."

⁹⁹ Please refer to the following link for more information regarding the SBTi: <https://sciencebasedtargets.org/>

Overall, U.S. and global equities both have a majority of assets that are either SBTi-committed or aligned. This gives us as investors a certain degree of confidence that these companies have put together (or are in the process of putting together) transition plans that are aligned with the goals of the 2015 Paris Agreement.

Canadian and emerging market asset classes have a significantly lower exposure to companies with SBTi alignment or commitments. In general, U.S. and European companies have been quicker to adopt SBTi verification than other jurisdictions. Getting targets verified by SBTi is something we have encouraged our investee companies to do through engagements, where it is appropriate.

Figure 29: Percentage of The Portfolio Assets That Are SBTi-Aligned Versus the Benchmark at Year-End 2025



Source: SBTi, MSCI, FactSet, TDAM holdings. As of October 31, 2025.

Implied Temperature Rise Alignment

Implied Temperature Rise (ITR) is an additional metric – from MSCI ESG Research - that assesses the overall alignment of a specific security or portfolio, where applicable. ITR is an intuitive forward-looking metric, expressed in degrees Celsius, designed to show the temperature alignment of companies, portfolios and funds with global temperature goals.¹⁰⁰

Figure 30: Description of ITR Categories

ITR Categories	ITR Band	Range	Description
Misaligned	Strongly Misaligned	> 3.2	This company/portfolio is misaligned even by business-as-usual standards. Its contribution to catastrophic climate change is higher than most companies/portfolios.
	Misaligned	> 2 – 3.2	This company/portfolio does not comply with the 2015 Paris Agreement goals. Its pace of decarbonization to mitigate catastrophic climate change is lagging. The threshold is determined by the “Current Policies” scenario of the Network for Greening the Financial System Regional Model of Investment and Development (NGFS REMIND), yielding an estimated 3.24°C at the 2100 horizon (rounded 3.2°C).
Aligned	2°C Aligned	> 1.5 – 2	This company/portfolio meets the 2015 Paris Agreement’s minimum objective of +2°C global mean temperature compared with pre-industrial levels. It is engaged in the low-carbon transition.
	1.5°C Aligned	< 1.5	This company/portfolio is in line with the 2015 Paris Agreement’s maximum objective of keeping global mean temperature to +1.5°C compared with pre-industrial levels. It is a transition leader, significantly contributing to mitigating catastrophic climate change.

The key to understanding the ITR is the concept of a carbon budget - i.e., how much the world can emit so that global warming does not exceed 2°C by 2100 and, by analogy, how much a company can emit for its fair share of global decarbonization. A company whose projected emissions are below budget can be said to undershoot, while a company whose projected emissions exceed the budget can be said to overshoot.

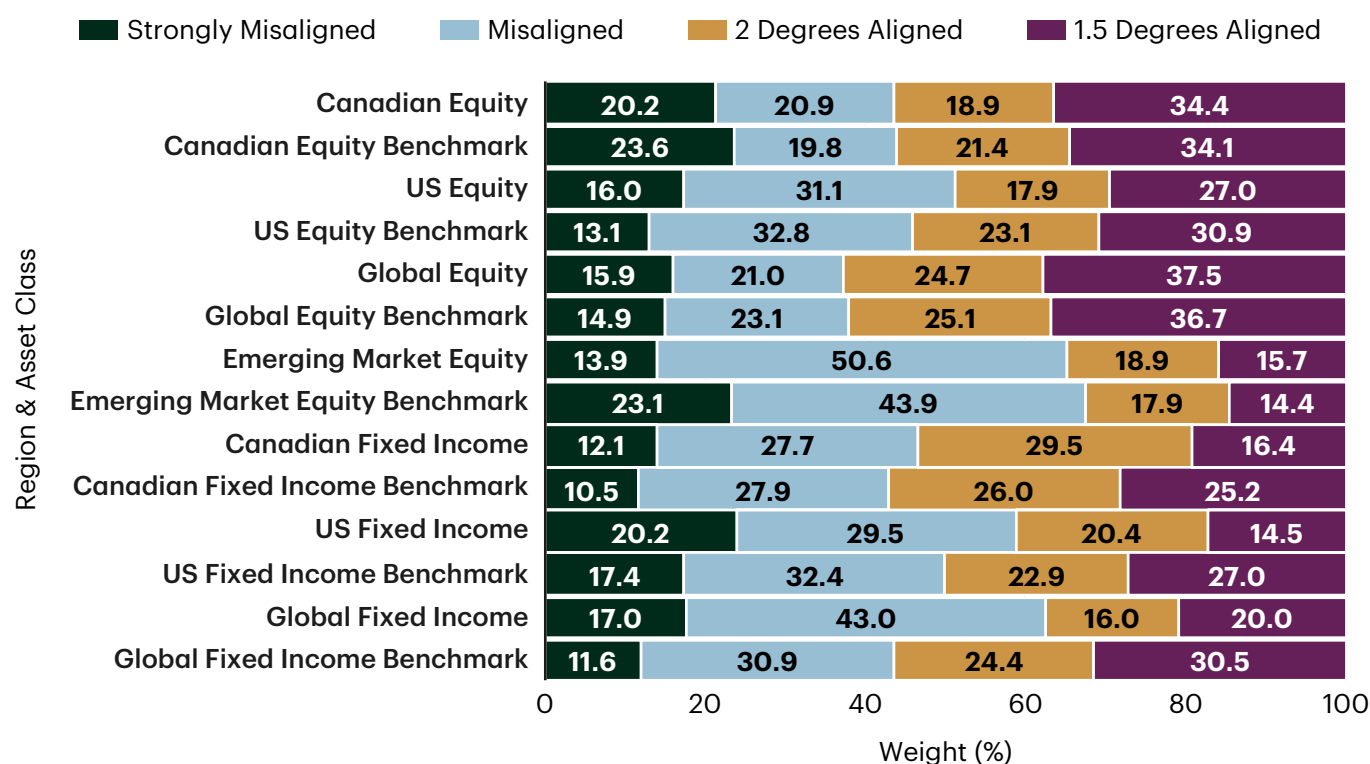
The calculation of the company-level ITR involves four key steps:

1. Transpose a 2°C carbon budget at company level.
2. Project companies’ future emissions, considering their targets (Scope 1, 2 and 3 emissions).
3. Calculate the companies’ over/undershoot of their carbon budgets.
4. Convert the relative over/undershoot to a degree of temperature rise.

¹⁰⁰ Implied Temperature Rise description provided by MSCI. See more at <https://www.msci.com/our-solutions/climate-investing/implied-temperature-rise>

Below is the summary of ITR Band alignment of the corporate portfolios included in this report. Currently, TDAM interprets the ITR figures below as a directional indicator of progress. The reason is that as our portfolios change over time, so too our investee companies' climate plans, and we expect they will continue to be updated throughout our holding period. These figures help inform our conversations with our investee companies and aid our understanding of how their plan benchmarks against their peers. It also allows us to understand where there might be climate risks across TDAM's holdings and where we may be able to leverage our position as shareholders to encourage companies to strengthen their transition plans.

Figure 31:
ITR Alignment of TDAM's Investments Versus the Benchmark at Year-End 2025



Source: MSCI, FactSet, TDAM. Holdings as of October 31, 2025.

Scenario Analysis

Given the limitations of point-in-time metrics, TDAM also uses forward-looking climate scenario analysis to help us understand the potential directionality of climate change impacts on portfolios included in this report. Conducting climate scenario analysis involves assessing the directionality of climate risks and opportunities posed by and to our investee companies through the lens of various future warming scenarios, including plausible scenarios where there is global warming of 1.5°C, 2°C and 3°C. To conduct this scenario analysis, we leverage MSCI's Climate Value-at-Risk (Climate VaR) tool.

Climate VaR is designed to provide investors with a view on forward-looking and return-based valuation assessment to measure climate-related risks and opportunities. The model offers a methodology that assists with gaining insights into how climate change could potentially affect company valuations. Climate VaR calculates the potential stressed market value of a company's issued securities under a specific climate change scenario. The model is based on aggregation of exposure from policy risk, technology opportunities and physical climate risk to deliver a preliminary baseline understanding of climate change risk exposure.¹⁰¹

¹⁰¹ Climate Value at Risk definitions provided by MSCI. See more at: <https://www.msci.com/our-solutions/climate-investing/climate-and-net-zero-solutions/scenario-analysis>

Using MSCI's Climate VaR tool, TDAM's scenario analysis leverages the scenarios developed by the Network for Greening the Financial System (NGFS). The NGFS is a group of Central Banks and Supervisors willing, on a voluntary basis, to share best practices, contribute to the development of environment and climate risk management in the financial sector, and mobilize mainstream finance to support the transition toward a sustainable economy.

In 2025, we presented the seven scenarios outlined in Version Five of the NGFS Scenario Framework. While the overall scenarios remain the same from Version Four, which we presented in our 2024 report, Version Five scenarios include economic and climate data, as well as policy commitments, reflecting country-level commitments to reach net-zero emissions made until March 2024. The new scenarios also reflect the latest trends in renewables and the energy implications of the war in Ukraine.¹⁰²

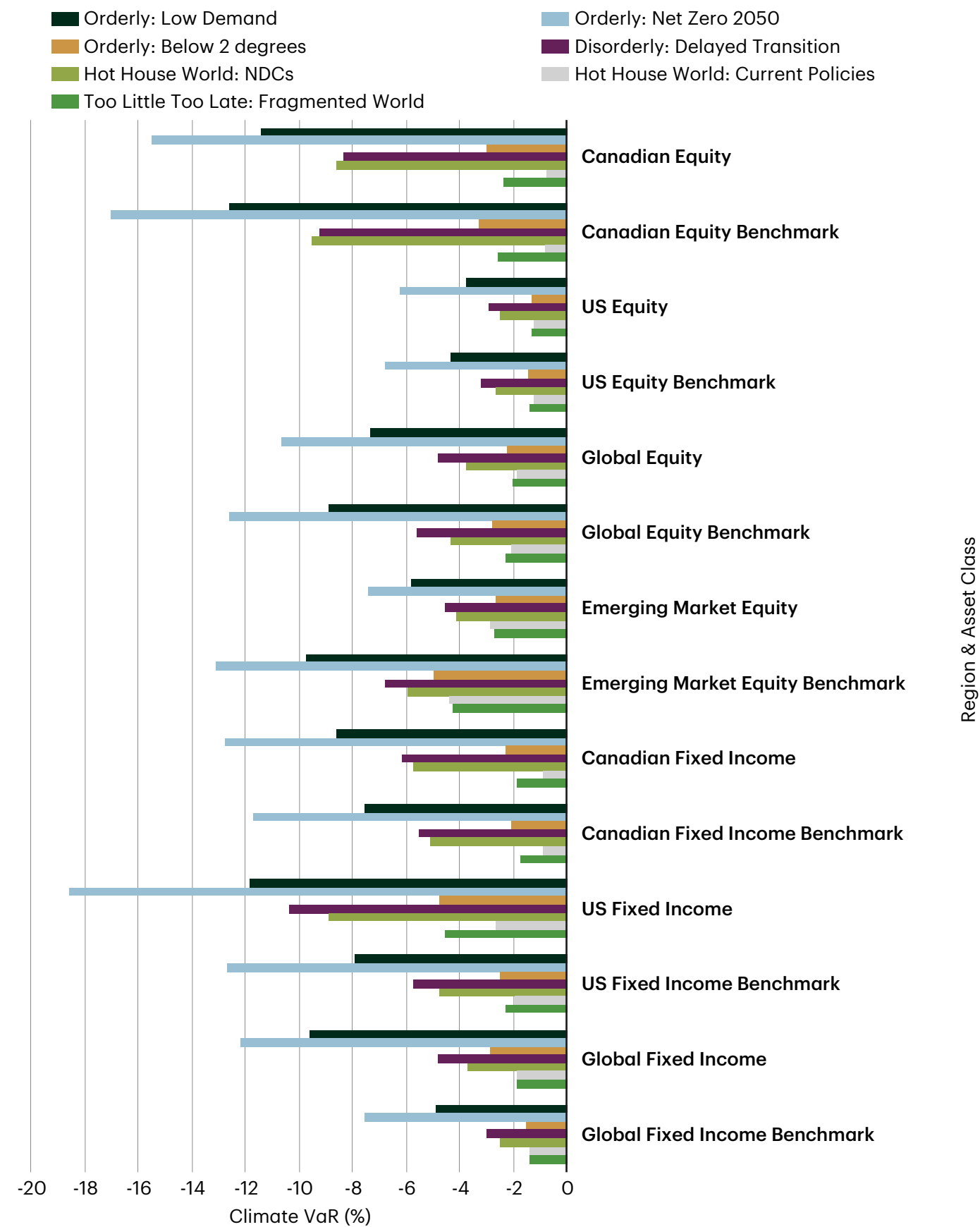
Figure 32: Description of NGFS Scenarios

NGFS Quadrant	NGFS Scenario ¹⁰³	Summary
Orderly	Low Demand	Assumes that significant behavioural changes – reducing energy demand – in addition to (shadow) carbon price and technology-induced efforts, would mitigate pressure on the economic system to reach global net-zero CO2 emissions around 2050.
	Net-Zero 2050	Limits global warming to 1.5 °C through stringent climate policies and innovation, reaching global net-zero CO2 emissions around 2050.
	Below 2°C	Gradually increases the stringency of climate policies, giving a 67% chance of limiting global warming to below 2 °C.
Disorderly	Delayed Transition	Assumes global annual emissions do not decrease until 2030. Stronger policies are required to limit warming to below 2°C. Negative emissions are limited.
Hot House World	Nationally Determined Contributions (NDCs)	Include all pledged policies, even if they are not yet implemented.
	Current Policies	Assumes that only currently implemented policies are preserved, leading to high physical risks.
Too Little, Too Late	Fragmented World	Assumes a delayed and divergent climate policy response among countries globally, leading to high physical and transition risks. Countries with net-zero targets achieve them only partially (80% of the target), while the other countries follow current policies.

¹⁰² NGFS Scenarios for Central Banks and Supervisors, November 2024. <https://www.ngfs.net/ngfs-scenarios-portal/>

¹⁰³ Network For Greening the Financial System (NGFS). NGFS Scenario data is available under a public license here: <https://data.ene.iiasa.c.at/ngfs/#/license>. NGFS Scenario Explorer is available here: <https://www.ngfs.net/ngfs-scenarios-portal/>

Figure 33:
Climate VaR of TDAM's Investments Versus the Benchmark at Year-End 2025



Source: MSCI, FactSet, TDAM. Holdings as of October 31, 2025.

Similar to ITR, TDAM interprets Climate VaR figures more directionally than literally at this time due to the high degree of fluidity in the transition plans being developed by our investee companies and the regulatory environments they are operating in. In general, the stressed market value of the assets under each scenario is closely aligned with the benchmark.

The U.S. corporate bond portfolio reflects a higher VaR. Again, this is due to the higher exposure to utilities than the benchmark, which reflects both high levels of physical risk and transition risk. Like the emissions and portfolio alignment metrics, the Canadian equity assets portfolio stands out as having a higher amount of VaR across most scenarios than the other assets assessed in this report. We acknowledge that Canada is a resource-heavy economy, with a higher concentration of oil and gas than the other jurisdictions assessed here, which contributes to the higher VaR than the other portfolios.

Climate Report

Metrics

This section provides a synthesis of the metrics we use to evaluate our assets for climate-related risks and track year-over-year progress against our benchmarks.^{104,105} The metrics below are evaluated on 68% of TDAM's overall AUM as of October 31, 2025, across both public markets and our private market asset classes. Cash, derivatives, private debt, sub-sovereign debt and asset- backed securities are not included in the analysis below due to a lack of data.

Figure 34: Public Market Metrics: Equities¹⁰⁶

Category	Metric	Canadian Equity	Benchmark	US Equity	Benchmark	Global Equity	Benchmark	Emerging Market Equity	Benchmark
Emissions	Emissions Coverage	94.80	99.82	92.05	99.89	99.20	99.85	99.09	99.92
	Absolute Emissions	2,945,935.26	–	1,691,148.77	–	1,019,257.63	–	104,839.09	–
	WACI	222.53	245.69	90.92	85.87	103.06	87.79	87.26	277.90
	Emissions Per \$M Invested	63.08	70.47	21.70	22.37	53.26	49.90	34.84	114.81
	Weight of Reported Emissions	84.76	88.00	82.74	93.34	93.72	96.19	78.91	81.63
	Weighted Average Quality Score	1.48	1.65	1.40	1.37	1.35	1.33	1.87	1.76
SBTi	SBTi Approved	16.02	15.70	49.48	59.15	60.61	58.13	22.42	21.97
	SBTi Committed	0.28	1.81	6.07	4.80	3.12	3.29	0.58	1.49
Implied Temperature Rise	Weighted Average ITR	2.59	2.83	2.42	2.52	2.40	2.43	2.67	3.05
	ITR Strongly Misaligned	20.19	23.55	15.97	13.11	15.89	14.91	13.92	23.13
	ITR Misaligned	20.89	19.77	31.11	32.82	21.01	23.06	50.61	43.91
	ITR 2 Degrees Aligned	18.92	21.43	17.87	23.05	24.72	25.10	18.85	17.91
	ITR 1.5 Degrees Aligned	34.43	34.13	26.96	30.91	37.49	36.66	15.70	14.39
Climate VaR	CVAR Low Demand	(11.45)	(12.61)	(3.77)	(4.34)	(7.33)	(8.88)	(5.83)	(9.74)
	CVAR Net Zero 2050	(15.52)	(17.06)	(6.21)	(6.77)	(10.63)	(12.63)	(7.46)	(13.12)
	CVAR Below 2 degrees	(3.00)	(3.28)	(1.33)	(1.48)	(2.24)	(2.83)	(2.63)	(4.98)
	CVAR Delayed Transition	(8.34)	(9.27)	(2.94)	(3.22)	(4.86)	(5.58)	(4.56)	(6.81)
	CVAR NDCs	(8.65)	(9.56)	(2.49)	(2.68)	(3.79)	(4.34)	(4.13)	(5.94)
	CVAR Current Policies	(0.76)	(0.85)	(1.24)	(1.26)	(1.89)	(2.06)	(2.86)	(4.44)
	CVAR Fragmented World	(2.38)	(2.61)	(1.34)	(1.40)	(1.99)	(2.29)	(2.72)	(4.30)

¹⁰⁴ The metrics cover all TDAM equity and corporate fixed income holdings as of October 31, 2025, subject to data availability, including the following sub-advised funds: TD Canadian Small Cap Equity Fund, TD Emerging Markets Fund, TD U.S. Capital Reinvestment Fund, TD U.S. Mid Cap Growth Fund, TD U.S. Small Cap Equity Fund, TD Health Sciences Fund, TD Science& Technology Fund, TD Global Entertainment & Communications Fund, and legacy TDAM USA accounts.

¹⁰⁵ Canadian Equity Benchmark = S&P TSX Composite Index; U.S. Equity Benchmark = S&P 500 Index; Global Equity Benchmark = MSCI EAFE Index; Emerging Market Equity Benchmark = MSCI Emerging Market Index; International Corporate Bond Benchmark = Bloomberg Barclays Global Aggregate Corporate Index; U.S. Corporate Bond Benchmark = Bloomberg US Corporate Bond Index; Canadian Corporate Bond Benchmark = FTSE Canada Universe Corporate Bond Index.

¹⁰⁶ All emissions, Climate VaR, ITR and SBTi data are provided by MSCI. Note that not all emissions are measured and reported on by the companies that we are invested in, and where data is not available, an estimation model may be used to determine the company’s emissions.

Figure 35: Public Market Metrics: Corporate Fixed Income¹⁰⁷

Category	Metric	Canadian Fixed Income	Benchmark	US Fixed Income	Benchmark	Global Fixed Income	Benchmark
Emissions	Emissions Coverage	86.63	89.99	87.02	100.00	96.00	97.45
	Absolute Emissions	1,772,799.18	–	1,544,453.56	37,695.78	52,294.55	–
	WACI	227.77	227.90	409.29	196.08	33.41	86.58
	Emissions Per \$M Invested	56.84	57.57	143.07	48.74	21.55	25.93
	Weight of Reported Emissions	74.68	75.14	60.66	88.91	93.00	90.44
	Weighted Average Quality Score	1.36	1.49	1.91	1.57	1.31	1.41
SBTi	SBTi Approved	25.33	19.79	13.60	11.57	23.00	23.55
	SBTi Committed	0.08	0.49	1.81	2.60	12.00	2.85
Implied Temperature Rise	Weighted Average ITR	2.25	2.18	2.59	2.57	2.60	2.24
	ITR Strongly Misaligned	12.14	10.50	20.21	17.44	17.00	11.61
	ITR Misaligned	27.71	27.85	29.47	32.37	43.00	30.88
	ITR 2 Degrees Aligned	29.49	25.95	20.37	22.88	16.00	24.39
	ITR 1.5 Degrees Aligned	16.41	25.22	14.55	27.01	20.00	30.53
Climate VaR	CVAR Low Demand	(8.65)	(7.60)	(11.83)	(7.93)	(9.57)	(4.92)
	CVAR Net Zero 2050	(12.73)	(11.70)	(18.61)	(12.68)	(12.17)	(7.58)
	CVAR Below 2 degrees	(2.27)	(2.09)	(4.73)	(2.51)	(2.89)	(1.55)
	CVAR Delayed Transition	(6.14)	(5.53)	(10.36)	(5.77)	(4.84)	(3.03)
	CVAR NDCs	(5.75)	(5.14)	(8.89)	(4.79)	(3.68)	(2.49)
	CVAR Current Policies	(0.90)	(0.89)	(2.66)	(1.93)	(1.90)	(1.41)
	CVAR Fragmented World	(1.89)	(1.72)	(4.58)	(2.32)	(1.85)	(1.40)

¹⁰⁷ Weighted Average Quality Score: Based on PCAF guidance for their data quality scores, which help institutions rate the reliability of their information. The score itself ranges from one to five, with one being the highest-quality data and five being the lowest quality. Quality score data is provided by MSCI.

Figure 36: Private Market Assets Metrics

Strategy	2024 CY GHG Emissions (tons CO2e)	2023 CY GHG Emissions (tons CO2e)
TD Greystone Canadian Real Estate Strategy ¹⁰⁸	187,668	186,397
TD Greystone Infrastructure Strategy ¹⁰⁹	158,798	222,660
TD Greystone Mortgage Strategy ¹¹⁰	67,709	55,844

Limitations

There is a lack of consistency among different companies' GHG emissions data because data is self-reported and calculated using varying methodologies. In many jurisdictions, GHG emissions data does not have to be assured or verified by a third party. Where companies do not disclose GHG emissions data, estimation models based on assumptions are used. Over time, as regulatory regimes evolve, we expect that there will be greater transparency and assurance with respect to self-reported emissions data, which in turn will improve the quality and quantity of GHG emissions data.

GHG emissions data is predominantly disclosed on an annual basis for the previous fiscal year, leading to a lag in GHG emissions of one or two years, depending on the timing of reporting or disclosure. In turn, there is a potential for misalignment between the GHG emissions data used in calculations and the corresponding financial metrics such as enterprise value and revenue.

GHG emissions are a point-in-time calculation. They do not capture any quantitative or qualitative data about a company's approach to lowering its carbon footprint over time.

Metrics such as WACI and Carbon Emissions per Million Invested can fluctuate due to non-emissions-related factors, such as changes in company revenue, enterprise value and market capitalization.

TDAM does not have control over methodology and maintenance of any third-party models used in this report. These models may also rely on use of estimations and forward-looking data points that will not be perfect models for future outcomes.

¹⁰⁸ Annual GHG emissions for the TD Greystone Canadian Real Estate Strategy include estimated data and Scope 1, 2, and 3 GHG emissions (i.e., tenant emissions) for the active (i.e., divestments excluded) Core portfolio. GHG emission accounting is in accordance with the GHG Protocol Standard for Corporate Accounting.

¹⁰⁹ Annual greenhouse gas (GHG) emissions for the TD Greystone Infrastructure strategy reflects data reported directly by portfolio assets through the annual GRESB assessment and calculated at the strategy level based on the fund's ownership share.

¹¹⁰ Annual financed GHG emissions were calculated using estimated building energy consumption based on property and industry benchmarks for each property type, utility type and province and emission factors from Canada's National Inventory Report (NIR) published by Environment and Climate Change Canada. The exercise was aligned with Partnership for Carbon Accounting Financials (PCAF) methodology Data Quality Score 4 for mortgages. That means each building's annual emissions are attributed to the mortgage provider using a loan-to-value approach. The attribution is equal to the ratio of the outstanding amount at the time of GHG accounting to the property value at the time of loan origination.

Risk Management

TDAM's approach to climate risk management is comprised of four key processes: risk identification and assessment, measurement, control, and monitoring and reporting.

1. Risk identification and assessment is focused on defining, recognizing and understanding climate risks as they relate to TDAM's investments.
2. Measurement practices continue to evolve and will support TDAM's ability to provide timely and accurate quantification of the risks assumed.
3. Control involves the integration of climate considerations into applicable investment processes, investee engagement and proxy voting activities.
4. Monitoring and reporting represents ongoing monitoring and reporting of relevant climate metrics related to our investments, subject to data availability.

The responsibility for identification, assessment and management of climate-related risks sits at the management level and is executed with assistance from various teams across TDAM. TDAM understands that climate-related risks can have a wide range of impacts, and has summarized below the actions taken to identify, assess and mitigate the potential resulting impacts.

Figure 37: Summary of Types of Climate Risks and TDAM's Actions to Identify, Assess and Mitigate Them

Risk Category	Climate-Related Risk	Actions to Identify, Assess and Mitigate
Market Risk	Impact of physical and transition risk on market factors such as equity prices, commodity prices and credit spreads.	Depending on the financial materiality of climate risk to the investment and subject to data availability, TDAM may integrate material climate-related considerations into the investment processes of applicable funds, in a manner that aligns with the fundamental investment objectives of each fund. The approach to integration varies but may include: • Evaluating assets on climate-related indicators, such as absolute GHG emissions, emissions' intensity and energy consumption. • Considering the strength and scope of our investee companies' climate targets and climate-focused reporting. • Conducting physical climate risk assessments of our investments in physical assets within our private market funds • ESG metrics included in quarterly performance reviews for active equity and private market strategies. • Conducting annual scenario analysis using Climate VaR, where data is available, to assess the risk to our investments under a number of different climate scenarios.

Risk Category	Climate-Related Risk	Actions to Identify, Assess and Mitigate
Legal, Regulatory Compliance and Conduct Risk	Increased potential for climate-related litigation and regulatory enforcement action. Introduction of new or amended laws and regulations related to climate, novel application of existing laws and regulations, and issuance of judicial or regulatory decisions that may result in new or unanticipated legal requirements, regulatory or legal friction resulting from lack of harmonization and/or inconsistencies in requirements across jurisdictions. Non-compliance with existing laws and regulations as they apply to climate-related matters. Increase in international policy and standard-setting initiatives concerning climate action and the management and disclosure of climate-related risks and opportunities.	- Climate-focused regulations impacting TDAM, its clients and investee companies are evolving at a rapid pace. TDAM Regulatory and Policy Governance, Legal, Compliance, and the Sustainable Investment team share responsibility for monitoring and evaluating regulations in the jurisdictions where TDAM operates and invests. - Where appropriate, TDAM has participated in, and will continue to participate in, Canadian and international regulatory and standard-setter consultations related to climate risk in the asset management industry.
Reputational Risk	Stakeholder perceptions of TDAM's action or inaction in relation to climate change. Increased focus from NGOs to apply sustainable investment and business practices.	- TDAM strives to communicate its approach to climate change to all relevant stakeholders. TDAM has made reporting and transparency a priority and this report serves to communicate the firm's actions to a broad group of stakeholders. TDAM will continue to consider industry best practice in reporting on its approach to climate change. - Our full proxy voting records and annual proxy voting reports are available on the TDAM Sustainable Investment website.
Strategic Risk	Risk of not being able to meet changing client and consumer expectations for ESG products and services.	- TDAM strives to maintain a product shelf that meets the changing needs and expectations of existing and potential clients, including custom solutions for institutional clients. - TDAM provides tailored climate reporting to institutional clients on an as-requested basis.

Risk Category	Climate-Related Risk	Actions to Identify, Assess and Mitigate
Operational Risk	Impact of extreme weather events on physical operations.	• TDAM is subject to TD's enterprise-wide Business Continuity and Crisis Management program, to support management's ability to manage TD's businesses and operations in the event of a business disruption incident.

Identify,
Assess and
Mitigate

Climate Engagement

In 2025, TDAM conducted a total of 134 climate-change-focused engagements¹¹¹ with 101 entities.¹¹²

TDAM considers its engagements with its investees to be an important way to help manage climate-related risk.

While every engagement is unique to the issuer, its industry and region, TDAM generally encourages companies to publish Scope 1 and 2 emissions figures as well as financially material Scope 3 emissions figures with limited or reasonable assurance. We also generally encourage, but do not require, the companies we engage with to set science-based targets that are aligned with a net-zero-by-2050 pathway; detail the tactics they will use to achieve their emissions targets, including disclosing capital expenditure towards low-carbon initiatives; have appropriate board oversight of climate-related matters; and tie executive compensation to ESG metrics where appropriate.

As the financial materiality of physical climate risks grows, we also expect issuers in our portfolios to demonstrate that they are measuring, assessing and disclosing the potential impact of physical climate-

related risks on their assets and workforce, to the best of their ability.

Our engagement approach intentionally includes companies outside of the traditionally heavy-emitting sectors like energy and utilities. We recognize that the demand side of the energy equation is a key driver of the energy transition's pace and the global efforts to address GHG emissions. As such, we are able to have transition-focused conversations with investee companies in hard-to-abate sectors, such as aviation, transportation, cement production, waste management and real estate. While this is an intentional approach, we also continue to spend considerable engagement capacity with our investee companies in the oil and gas and utilities sectors.

As the global energy narrative has shifted from one focused on reducing emissions to one focused on energy security and capacity for data centres, we engage with our investee companies in the energy and utilities sectors on how this shifting narrative may also impact climate commitments. A key focus for these engagements was on corporate disclosures related to company capital expenditure plans that add credibility to their decarbonization and transition strategies.

Case Study: Corporate Engagement in the Aviation Sector

In 2025, we initiated an engagement with a prominent commercial airline held in our portfolios. While aviation accounts for 2%-3% of global GHG emissions, it is considered a hard-to-abate sector because it largely depends on production and procurement of large amounts of Sustainable Aviation Fuel (SAF) to reduce emissions, which is not yet widely available.¹¹³

The company had set a target for 1% of its global fuel to be SAF by 2025. At the time of our engagement, the company had just completed a large procurement of SAF from a global producer. Despite the recent deal, the company shared the challenges in meeting its goal. The most notable was the lack of domestically produced SAF commercially available in its domestic market, where the vast majority of its flights land and take off. This raises import costs that ultimately will be passed onto consumers. Additionally, as there is growing demand from many global airlines for SAF, the company had to pay a premium for the delivery given the limited supply. While the company's actions showcase a concerted effort towards decarbonizing flight operations, they underscored the challenges the sector faces as it tries to accelerate the pace of decarbonization.

The engagements we have with energy producers and energy consumers reveal the interconnectivity between sectors looking to transition towards a lower GHG-emitting future. Engagements like this allow us to take our learnings about the difficulties of SAF procurement to other engagements with companies that are already producing or considering moving into SAF production. Learnings from both sides of the production and

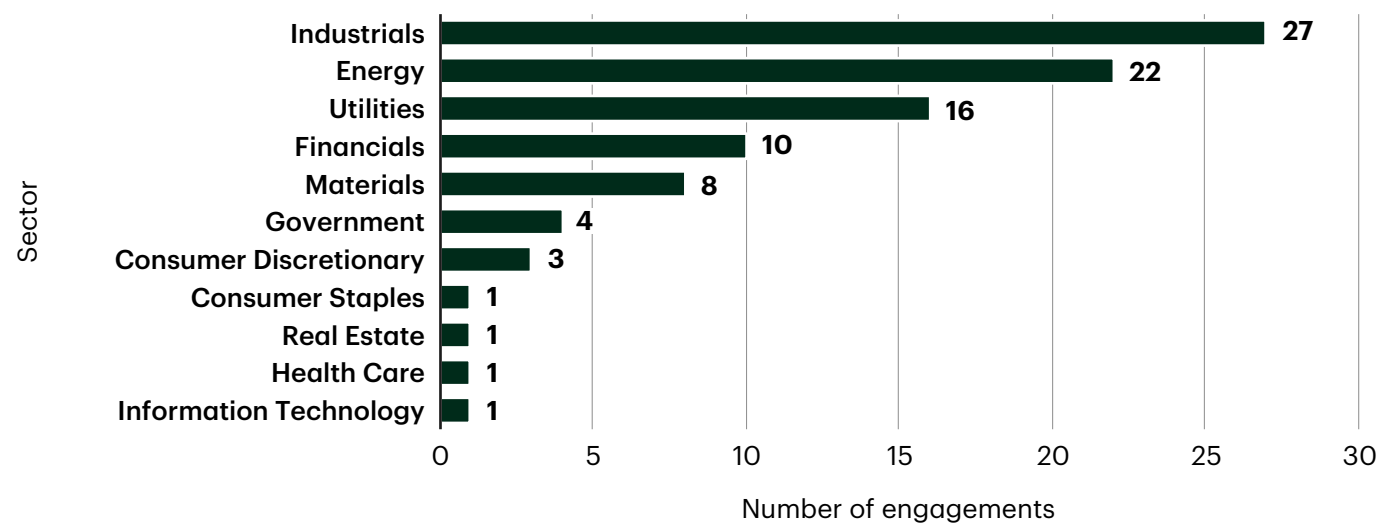
¹¹¹ An engagement in this context is considered a direct exchange with or outreach to a company on a specific topic. One meeting with a company can include multiple topic engagements. Moreover, we may have multiple meetings with a company in any given year where warranted.

¹¹² Entities refers to and captures listed equity issuers, asset managers (such as property managers in direct real estate portfolios), borrowers in private debt and mortgage portfolios, listed and non-listed corporate and non-corporate debt issuers.

¹¹³ <https://www.iea.org/energy-system/transport/aviation>

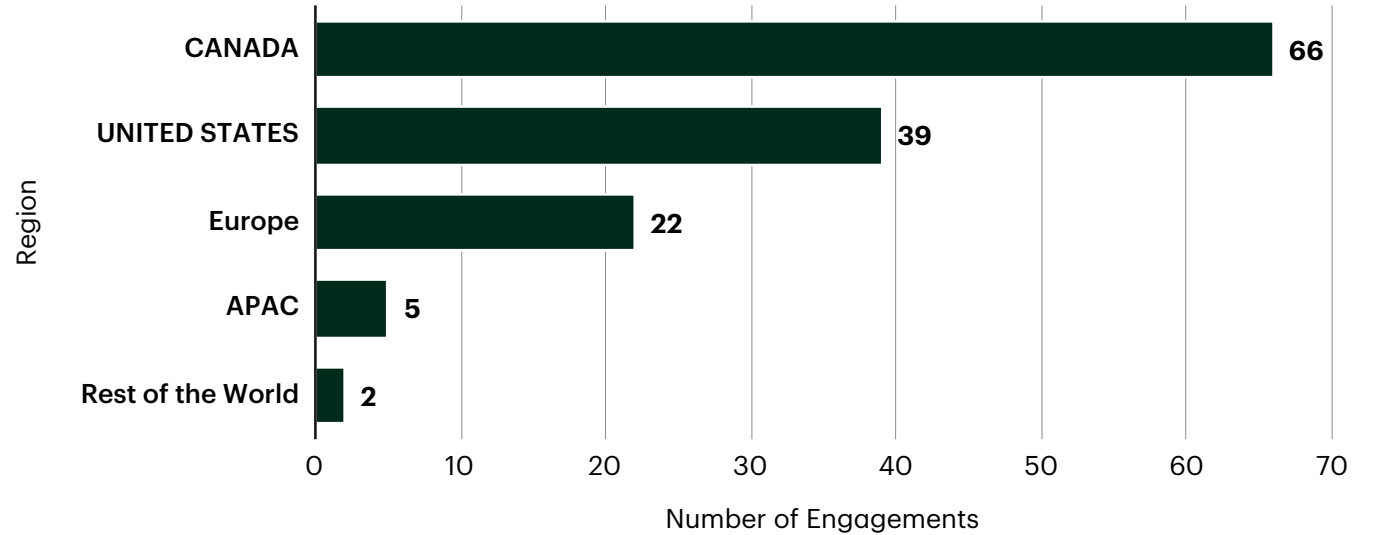
consumption equation can be leveraged by our investment team members as they think about future markets, supply/demand curves, and the cost of fuels such as SAF.

Figure 38: Climate Engagements by Sector¹¹⁴



Source: TDAM. November 1, 2024 to October 31, 2025.

Figure 39: Climate Engagements by Region



Source: TDAM. November 1, 2024 to October 31, 2025.

¹¹⁴ Engagements are grouped by GICS category and include only those with public entities or issuers; engagements conducted by the Private Markets team are excluded.

Proxy Voting

In the 2025 proxy year, we saw a 16% decrease in climate-oriented proposals, as compared to the previous proxy year. TDAM voted in line with management more often (46%) than in the prior proxy year (40%). In general, we continued to observe improvements in the quality of corporate climate disclosures and transition plans.

At the same time, we saw many shareholder proposals requesting additional disclosures on specific elements of a climate transition plan. These additional disclosure proposals may continue to crop up due to the lack of consistent and standardized regulatory climate disclosures.

TDAM continues to vote on climate-oriented shareholder proposals on a case-by-case basis. We evaluate proposals for their 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.

Diverging Reporting Requirements

In 2025, in line with previous years, we saw many proposals requesting disclosure of certain climate related items, ranging from Scope 1, 2 and/or 3 Greenhouse Gas (GHG) emission disclosures, reduction targets tied to GHG emissions, and/or quantitative or qualitative scenario analysis.

Meanwhile, several jurisdictions and standard-setting bodies have been exploring and implementing mandatory climate reporting requirements for corporate entities. Many countries are leveraging the standards put forward by the ISSB, which operates under the IFRS. The ISSB has published standards recommending baseline corporate disclosures on sustainability and climate-related risks and opportunities. These standards are intended to provide a global baseline for corporate sustainability disclosures.¹¹⁵

The most recent and notable development in this space is that Chinese regulators are moving to adopt the ISSB standards on climate reporting, with a target implementation date for reporting companies by 2027.¹¹⁶ China is joining a growing group of jurisdictions that have already adopted or are in the process of adopting the standards, including the EU, the UK, Japan, Australia, Brazil, Mexico and many others.

However, here in North America, there have been headwinds against mandatory climate reporting. In March 2025, the SEC in the U.S. announced it would cancel previous plans to mandate ISSB-aligned corporate climate reporting. In Canada, the Canadian Securities Administrators (CSA) had been consulting stakeholders on adoption of the ISSB standards for over a year, but in April 2025 announced they would pause all work due to changes in the global geopolitical and economic landscape.

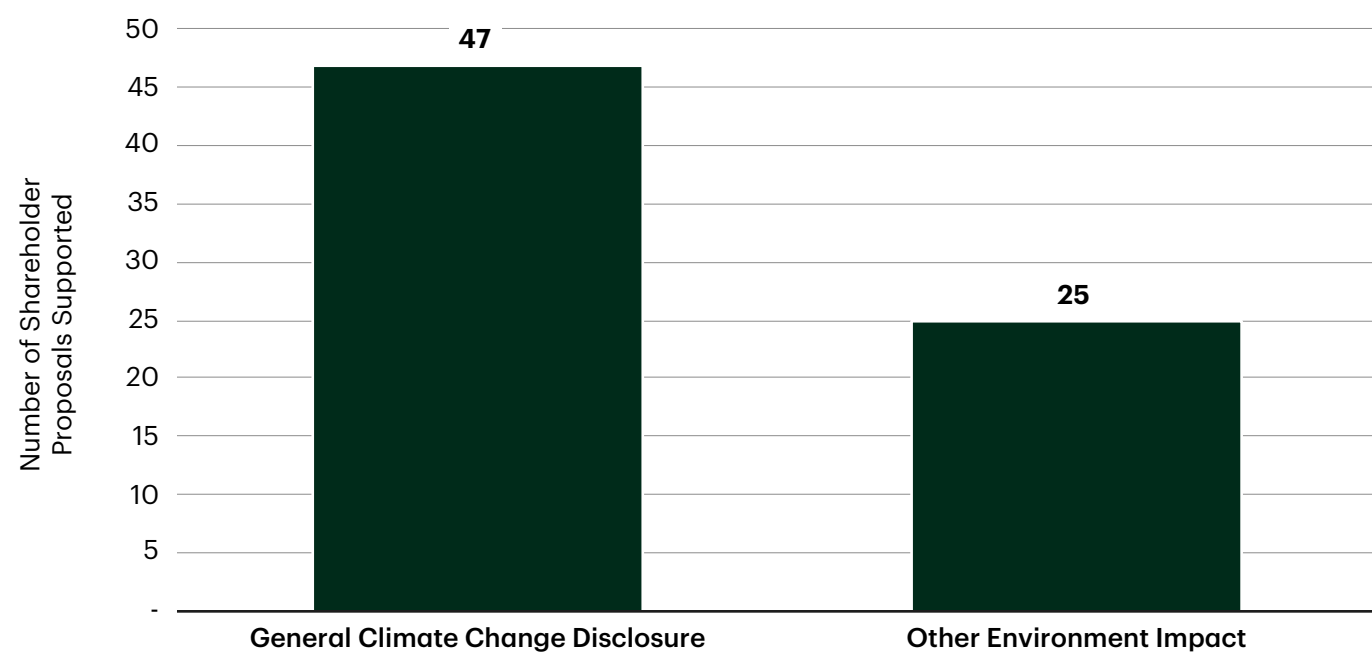
These diverging reporting requirements pose challenges both for corporate issuers and investors. During the 2024-2025 proxy season, we continued to see companies referencing the diverging requirements and, more recently, the removal of requirements as reasons to vote against certain shareholder proposals requesting additional climate related disclosures from issuers.

What remains clear is that over the short to medium term, there will continue to be notable differences in climate reporting requirements for corporate entities across different jurisdictions.

¹¹⁵ <https://www.ifrs.org/groups/international-sustainability-standards-board/>

¹¹⁶ <https://www.responsible-investor.com/investors-welcome-government-support-for-chinese-issb-aligned-climate-standard/>

Figure 40: Climate and Environmental Shareholder Proposals Supported by TDAM in Proxy Year 2024-2025



Source: TDAM, ISS. November 1, 2025 to October 31, 2025.

Stewardship in Action Case Study: How TDAM Voted on Clean Energy Supply Financing Ratio Proposals

The Clean Energy Supply Financing Ratio is an emerging topic for large banks. This ratio is defined as a bank’s total financing (through equity and debt underwriting, and project finance) of low-carbon energy supply to that in fossil fuel energy supply.¹¹⁷ The disclosure, prepared at a reasonable expense and excluding confidential information, should describe the company’s methodology, including what it classifies as low-carbon or fossil fuel energy.

The ratio originated from the Bloomberg New Energy Finance (BNEF) research organization, which reports annually an Energy Supply Investment Ratio (ESIR) for major global banks. ESIR shows the proportion of capital outlay going into low-carbon supply components relative to that going into fossil fuel supply areas.¹¹⁸

BNEF research indicates that in order to limit the global temperature rise to 1.5°C, in line with the most commonly cited net-zero climate scenarios, global investment in low-carbon energy supply needs to average four times that in fossil fuels by 2030, forming the basis for a 4:1 ESIR. BNEF publishes an annual report tracking how large banks perform against this ratio year-over-year, albeit using imperfect information.¹¹⁸

There are compelling reasons both for and against this proposal. On the one hand, the banks receiving the proposal generally already have transparent disclosures and commitments related to sustainable and carbon-related finance activities. Therefore, we are cautious about asking these banks’ sustainability teams, which are dealing with competing reporting priorities, to report an additional metric. On the other hand, ESFR is an emerging and important metric that complements financed emissions disclosures and sustainable finance commitments to paint a more complete picture of a bank’s climate alignment.

That said, no metric on its own is perfect. Financed emissions disclosures are prone to volatility from non-emissions-related factors and sustainable finance goals suffer from methodological differences.

TDAM engaged with multiple banks on the issue. As part of our discussions, we encouraged the banks to

¹¹⁷ <https://about.bnef.com/insights/finance/bank-financing-shows-little-progress-on-climate-goals-five-things-to-know/>

¹¹⁸ Source: TDAM, Bloomberg.

consider disclosing the ratio and having the shareholder proposal withdrawn. In our view, metrics disclosed directly by companies would enable investors to verify publicly available information, including Bloomberg's ESIR, which is now widely used to assess banks' progress on their stated climate commitments. Disclosures made directly by banks would lead to a higher quality of data and allow for contextualization of the ratio within a bank's broader client engagement and sustainable finance strategy.

Of the eight banks subject to the proposal, only one committed to publishing the metrics, which ultimately led to the proposal being withdrawn at this bank. This strengthened our view that ESIR is likely to become an important and necessary part of the annual climate disclosures of large banks. As a result, TDAM supported the proposal at the seven banks that did not have the proposal withdrawn.

During the 2025 proxy year, we saw a wide range in support levels, with notable differences between Canadian and U.S. banks. At the three Canadian banks, support levels ranged from 33% to 38%. At the four U.S. banks, support levels ranged from 13% to 18%.¹¹⁹ Given the high support levels and existing agreements by several global systemically important banks to disclose the metric, we expect to see the proposal again in 2026 at large banks that have not agreed to disclose.

Proxy Voting

¹¹⁹ Source: TDAM, FactSet.

Appendix - Concordance Table for Taskforce on Climate-related Financial Disclosures (TCFD) Recommendations

Theme	TCFD Recommendation	Corresponding Section of the Report
Governance – Disclose the organization's governance around climate-related risks and opportunities	a. Describe the board's oversight of climate-related risks and opportunities	N/A
	b. Describe management's role in assessing and managing climate-related risks and opportunities	TDAM Sustainable Investment Governance Structure
Strategy – Disclose the actual potential impacts of climate-related risks and opportunities on the organization's businesses, strategy and financial planning where such information is material	a. Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term	Climate Risks and Opportunities
	b. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy and financial planning	- Strategy - Our Investment Approach
	c. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	- Portfolio Alignment - Scenario Analysis
Risk Management – Disclose how the organization identifies, assesses and manages climate-related risks	a. Describe the organization's processes for identifying and assessing climate-related risks	Risk Management
	b. Describe the organization's processes for managing climate-related risks	- Risk Management - Measuring and Actioning Emissions - Engagement - Proxy Voting - Investment approach
	c. Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization's overall risk management	Risk Management

Theme	TCFD Recommendation	Corresponding Section of the Report
Metrics and Targets – Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material	a. Disclose the metrics the organization uses to assess climate-related risks and opportunities in line with its strategy and risk management process	• Metrics
	b. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 GHG emissions and the related risks	• Our Operational Footprint
	c. Describe the targets the organization uses to manage climate-related risks and opportunities and performance against targets	• Our Operational Footprint

Appendix



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