

Corporate Responsibility at TD

Conducting Business Responsibly

Making a positive contribution to the well-being of our communities and the environment. Conducting our business in an ethical, open and trustworthy manner. Excelling in customer satisfaction. Providing a safe, supportive, inclusive and rewarding workplace. Ensuring best practices in corporate governance.

All of these are important elements in how we define corporate responsibility. It's not only about what we do, but how we do it. It's about doing the right thing for our stakeholders – and, in serving them, operating with integrity and respect on the job and in the community.

We are committed to integrating social, economic and environmental interests with our long-term corporate objectives, reflecting the values of all stakeholders through everything we do.

Corporate responsibility is not managed by any one department or individual at TD. It is integrated throughout our business. We believe that building a corporate culture based on strong **Guiding Principles** and a clearly defined **Leadership Profile**, both within our organization and in the communities in which we live and work, will set us apart as a responsible corporate citizen as we continuously strive to be “the better bank” for all our stakeholders.

Leadership in corporate responsibility ultimately strengthens our organization and enhances shareholder value over the long term. We make a conscious business decision, for example, to contribute to charities and not-for-profit organizations. Both our own research and external studies show that customers and Canadians in general expect us to support and give back to the communities where we operate. Support for the community is one of the key factors in customers' decision-making on where to bank. Employee research shows, too, that our people take pride in TD's community activities and this translates into higher employee engagement and performance, which ultimately benefit shareholders.

Our involvement is not only about responding to the expectations of TD stakeholders. We recognize that successful corporations need a healthy and prosperous society, and our community investments are among the ways in which we

strive to achieve this. The donations and other contributions we make are of shared benefit to society and TD; they have a positive impact on many individuals and local economies and help to build stronger communities, all of which are valuable for the long-term success of our business.

Our Vision

To be the better bank

Our Guiding Principles

- Be Customer Driven
- Respect Each Other
- Execute with Excellence
- Know Our Business
- Enhance Our Brand
- Increase Shareholder Value

Our Leadership Profile

- Make an Impact
- Build for the Future
- Inspire the Will to Win
- Work Effectively in Teams
- Live Transparency
- Show Excellent Judgment
- Demonstrate Unwavering Integrity

Employee Conduct and Ethics

Our people are bound by TD's formal **Code of Conduct and Ethics**, which states the fundamental principles, norms and behaviours expected of all employees, officers and directors worldwide in the course of their jobs.

The Code establishes the standards that govern the way we deal with each other, our shareholders, customers, suppliers and competitors. Topics covered include respect for the law, personal integrity, conflicts of interest, confidentiality of information, bribery and other elements of corruption, trading on inside information, etc.

We have an annual attestation process in place to ensure that all employees sign and acknowledge their understanding of

Diversity Priorities

Subcommittee	Chaired by
Building an agenda for people with disabilities	Tim Hockey Group Head, Personal Banking, and Co-Chair, TD Canada Trust
Enhancing and promoting an inclusive environment for gay, lesbian, bisexual and transgender employees and customers	Paul Douglas Executive Vice President, Commercial Banking
Expanding leadership opportunities for visible minorities	Satish Rai Senior Vice President, TD Asset Management
Expanding leadership opportunities for women	Colleen Johnston Executive Vice President and Chief Financial Officer
Serving diverse communities	Dominic Mercuri Senior Vice President and Chief Marketing Officer

our Code and other key corporate policies. Any breach is considered a serious offence that may lead to dismissal, and employees are obligated to report in a timely fashion any possible violations they witness.

Diversity – A Key Business Priority

Each year we maintain and enhance commitments, policies and initiatives consistent with delivering corporate responsibility. An example of this is our continuing focus on diversity.

From offering multilingual services to recruiting diverse candidates to assisting with the integration of new immigrants, embracing diversity is nothing new for TD. We have made solid progress, but we want to accomplish more. We are working hard to build diversity within our workplace, as well as reaching out to our customers and community members in all their variety – ethnicity, culture, religion, age, sexual orientation, physical ability and so on. In doing so, we believe TD will be a rewarding place to work and a dynamic organization with which to do business.

Diversity initiatives for...	Go to...
Communities/Canadians	Pages 8–11
Customers	Pages 38–40
Employees	Pages 44–47

Our commitment to diversity starts at the most senior levels at TD. We have a **Diversity Leadership Council (DLC)**, which is chaired by Bill Hatanaka, Group Head, Wealth Management, and Chairman and CEO of TD Waterhouse Canada. The DLC is made up of senior business leaders across TD and reports directly to the President and CEO, with periodic reporting to the Board of Directors. The DLC is ensuring diversity is embedded in business plans and how we operate. Currently, the DLC is working on five key priorities with subcommittees chaired by executives overseeing action plans for these issues (see chart). As we make progress in these areas, our diversity plans and priorities will evolve.

Examples of our diversity initiatives can be found throughout this publication.

Stakeholders

TD has many stakeholders: customers, employees, shareholders and communities, the latter including community members, the environment and Canadians overall.

Through consultations, surveying, collaboration and other forms of dialogue and communication, we actively listen and try to understand stakeholder needs. Ultimately this helps us make better business decisions and ensures we're in touch with stakeholders' evolving expectations.

Stakeholder	Comprises	Main Accountability	2006 Performance Indicators	Results ¹
Canadians	<ul style="list-style-type: none"> • Individuals and families • Businesses • Suppliers • Governments 	Shared among different departments, including Government & Community Relations, TD Economics and all business lines.	Support economic and societal development through our actions, including our lending and investments, contributions to public policy and corporate citizenship activities.	Refer to pages 8–15
Communities	<ul style="list-style-type: none"> • Charities • Not-for-profits • Community members 	Government & Community Relations department. Periodic reporting to the Board of Directors.	<ul style="list-style-type: none"> • Support our communities by: <ul style="list-style-type: none"> – Promoting children's health, literacy and education; – Protecting and preserving the environment; and – Volunteering time for social services organizations and initiatives. • Donate minimum of 1% of domestic, pre-tax profits (three-year average) to Canadian charitable and not-for-profit organizations. 	<ul style="list-style-type: none"> • Refer to pages 16–25 • Donated 1.3%
Environment	<ul style="list-style-type: none"> • All people and businesses • Organizations dedicated to the environment • The natural world 	Shared among different departments, including Retail and Corporate Real Estate, Government & Community Relations, Corporate Operations and Legal. Periodic reporting to Risk Committee of the Board of Directors.	Continue to enhance our environmental management practices and support community-based projects through the TD Friends of the Environment Foundation.	Refer to pages 26–33
Customers	<ul style="list-style-type: none"> • Individuals and families • Small, medium and large businesses • Governments • Not-for-profits 	Different business lines responsible for respective customers. Periodic reporting to the Board of Directors.	<ul style="list-style-type: none"> • Invest in core businesses to enhance the customer experience. • Grow the percentage of employees in customer-facing roles. • Increase customer satisfaction. 	<ul style="list-style-type: none"> • Refer to TD's 2006 Annual Report • 69% of net new employees were customer-facing, bringing total to 66.9% • Customer satisfaction score rose to 87.4 in 2006 from 86.8 in 2005
Employees	<ul style="list-style-type: none"> • Employees within Canada and abroad, across all affiliates 	Central and line-of-business Human Resources departments, as well as People Managers across TD. Periodic reporting to the Management Resources Committee of the Board of Directors.	<ul style="list-style-type: none"> • Improve employee engagement score year over year. • Enhance the employee experience by: <ul style="list-style-type: none"> – Listening to our employees; – Building employment diversity; – Providing a healthy, safe and flexible work environment; – Providing competitive pay, benefits and performance-based compensation; and – Investing in training and development. 	<ul style="list-style-type: none"> • Score rose to 4.12 in fall 2006 from 4.08 in fall 2005² • Refer to pages 42–51
Shareholders	<ul style="list-style-type: none"> • Individuals • Institutions 	Shared across TD business lines and head office, as led by the President and CEO, with oversight by the Board and its Committees.	<ul style="list-style-type: none"> • Business operations <ul style="list-style-type: none"> – Grow revenue faster than expenses. – Enhance the risk profile of the Bank (as measured by a return on risk-weighted assets that is above the peer average). – Invest in core businesses to improve efficiency and effectiveness. • Financial <ul style="list-style-type: none"> – Deliver above-peer-average total shareholder return.⁴ – Grow earnings per share by 7% to 10%. – Grow economic profit. 	<ul style="list-style-type: none"> – 5% gap in growth rates – TD return 2.46%, peer average 1.93%³ – Refer to TD's 2006 Annual Report for details – TD return 20.3%, peer average 22.7% – 13% growth – 23% growth

¹ Performance indicators that include an earnings component are based on TD's full-year adjusted earnings (except as noted) as explained in "How the Bank Reports" in TD's 2006 Annual Report. For peers, earnings have been adjusted on a comparable basis to exclude identified non-underlying items other than Q1/06 impact of reserves for hurricane claims.

² Scale is from 1 to 5.

³ Return on risk-weighted assets measure is as at July 31, 2006, YTD for comparison purposes. TD's return on risk-weighted assets for 2006 was also 2.46%.

⁴ Total shareholder return is measured on a one-year basis. "Peer average" is the average total shareholder return of the four other major Canadian banks.