

Principles for Sustainable Insurance – Annual Disclosure 2019

In 2014, TD Insurance became the second Canadian-based signatory to the United Nations Environment Programme Finance Initiative's Principles for Sustainable Insurance (UNEP FI PSI). UNEP FI PSI serve as the global framework for insurance companies to better manage environmental, social, and governance risks, as well as opportunities in their core business strategies and operations.

As a PSI signatory, TD Insurance reports on its progress embedding the principles into all aspects of its operations. This document outlines the activities TD Insurance has undertaken to demonstrate its commitment to the UNEP FI PSI.

Principle 1: We will embed in our decision-making environmental, social, and governance issues relevant to our insurance business.

Company Strategy

United Nations Environment Programme Finance Initiative TCFD Implementation Pilot: In 2018, TD Insurance joined a growing group of PSI signatories who have committed to participating in the UNEP FI-supported pilot to implement the recommendations of the Task Force on Climate-related Financial Disclosures in the insurance industry. The pilot group will develop analytical tools to support insurance industry climate risk disclosures, providing information to investors, consumers, and other stakeholders. The tools and indicators will incorporate the latest scenario analysis to assess climate-related physical and transition risks in insurance portfolios. Since the pilot's focus is on non-life insurance, a separate life insurance work group has been established. TD Insurance is participating in that group as well.

Employee Experience

Employee Empowerment: Every TD Insurance office in Canada has a Green Team, made up of employees who volunteer their time to address local environmental issues through activities like tree planting, park and shoreline cleanups, education sessions, and so on. In support of our PSI commitment, we have revitalized our Green Teams by recruiting new members and ensuring that strong leaders are in place. In addition to creating both physical and virtual spaces for employees across Canada to connect on these issues, we launched nationwide recycling initiatives focused on diverting and repurposing materials that would otherwise end up in landfills, and on reducing consumption of agricultural products responsible for high levels of greenhouse gas (GHG) emissions.

We are supporting this work with organization-wide education on climate change issues, insurance industry concerns, TD Insurance activities and commitments, and opportunities for employee participation.

Indigenous Internship Program: The TD Insurance Indigenous Internship Program provides opportunities for Indigenous young professionals to gain skills and experience with various segments of our business while actively participating in and contributing to the celebrations and acknowledgement of Indigenous history and culture.

Risk Management and Underwriting

TD Insurance's underwriting criteria include:

- A requirement for customers to install sewer backup valves following a claim in order to continue coverage; and
- Strict criteria for oil tanks.

Product and Service Development and Claims Management

Extended water damage coverage	In April 2019, TD Insurance introduced its extended water damage product – a new endorsement that includes coverage against sudden and accidental water damage caused by sewer backup, sump pump failure, ground and surface water entering a home below ground level as well as fresh water overland flooding. As part of our coverage, we are also offering in the event of a paid loss an additional indemnity of up to \$1,000 towards the cost of installing a backwater valve or sump pump with a power backup system, which could help prevent future losses.
Hybrid and electric vehicle insurance discounts	TD Insurance has offered discounts on insurance for hybrid vehicles in Canada since 2008. In 2011, the program was extended to electric vehicles.
Solar Panel Insurance	Insurance on solar panels is included in TD Insurance's mainstream insurance offerings.
Mobile Response Units	TD Insurance deploys Mobile Response Units to provide disaster relief in areas experiencing catastrophic incidents related to severe weather. In 2019, our teams used these vehicle-based units to provide assistance to TD Insurance customers in Halifax following Hurricane Dorian.
My Insurance self-service tool	This online portal for customers to view their documents reduces waste by reducing the need for paper documents.
Resilience-related discount	Customers in Alberta who choose stronger and longer-life-expectancy roofing materials to reduce damage from extreme weather events such as hailstorms receive a discount on insurance.

Sales and Marketing

TD Insurance has implemented several advice initiatives on water damage prevention and earthquake coverage awareness.



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Principle 2: We will work together with our clients and business partners to raise awareness of environmental, social, and governance issues, manage risk and develop solutions.

Business Partner Initiatives

TD Insurance Advisory Board on Climate Change: In March 2019, TD Insurance established its Advisory Board on Climate Change, a first for the Canadian insurance industry. The Advisory Board comprises experts from Engineers Canada, and five top Canadian universities with expertise in fields related to climate change, severe weather and its impact on people and our planet. The Advisory Board, together with TD Insurance executives, will develop and implement initiatives to address key climate change issues and identify opportunities for change that are of interest to TD Insurance and the greater insurance industry.

Client, Community, and Supplier Initiatives

Claims Advice Line	TD Insurance provides preventive advice to customers as part of the Claims Advice Line, including advice on prevention related to damage from severe weather events.
Green Car Discount	TD Insurance's Green Car Discount insurance program is promoted at the TD Insurance sponsored Plug 'n Drive Electric Vehicle Discovery Centre, a centre enabling consumers to learn about and test drive electric vehicles.
Green Living Show	For a second year, TD Insurance sponsored the 2019 Green Living Show, Canada's largest consumer show focused on solutions for leading a healthy and sustainable lifestyle. In partnership with the Electric Vehicle Discovery Centre, the TD installation featured panel discussions on environmental issues related to home and auto insurance, and sustainable finance.
TD Insurance Open Innovation Challenge	For a second year, the TD Insurance Open Innovation Challenge invited students to come up with initiatives to help TD Insurance increase its positive impact on society and improve community life. Submission categories included: sustainable development, employee engagement, policyholder security, and fighting inequality. The Challenge brought together 635 students from 203 schools and universities; all finalists received a trip to Toronto to deliver their pitches in person, and winning teams received cash prizes.
Extending Life Insurance Coverage	In 2018, TD Insurance began offering life insurance coverage for HIV-positive customers. TD Insurance continues to work diligently to increase the number of Canadians eligible for life and health insurance products through product and underwriting innovation.

Principle 3: We will work together with governments, regulators, and other key stakeholders to promote widespread action across society on environmental, social, and governance issues.

Working with Governments and Regulators

TD Insurance is engaged in the following government and industry initiatives to promote action on Environmental, Social and Governance (ESG) issues:

- Atmospheric and environmental research (AER)
- Member and sponsor of Alberta Severe Weather Management Society
- Participation in industry associations such as the Insurance Bureau of Canada, the Canadian Association of Direct Relationship Insurers, and the Institute for Catastrophic Loss Reduction (ICLR) and subject-specific working groups
- Participation in the National Roundtable on Flood Risk working groups
- Participation in the GLOBE Forum
- Participation in the National Roundtable for Disaster Risk Reduction – Advancing and Empowering Disaster Risk Reduction in Canada

Seneca College's Green Citizen Forum	For the second consecutive year, TD Insurance renewed its commitment as the presenting sponsor of Seneca College's Green Citizen Forum. This year's forum focused on Climate resiliency: Global problems. Local solutions. The three-day conference featured speakers on a variety of topics related to environmental, social, and governance issues and included workshops for the attendees, many of whom were students in Seneca's programs with an environmental or sustainability focus. The students in these programs are already addressing pressing environmental issues through Seneca's entrepreneurial incubator.
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Engaging Key Stakeholders

Restoration and resilience in Spar Cove, New Brunswick

In association with ACAP Saint John, and with in-kind support from the City of Saint John Department of Transportation & Environment Services, TD Insurance funded a project to help restore degraded riparian areas across sub-watersheds within the lower Saint John River watershed. The project was designed to engage volunteers in riparian plantings and natural floodplain restorations to improve biodiversity and increase flood resilience while restoring watershed health and providing renewed public access and education on the historic Saint John River. Over three events in spring and summer 2019, local TD Insurance employees and community partners worked together to transform what had become a neighbourhood dump site into a beautiful outdoor space, simultaneously addressing the effects of climate change, species preservation, and a specific concern for our customers: flooding.



Principle 4: We will demonstrate accountability and transparency in regularly disclosing publicly our progress in implementing the Principles.

TD Insurance discloses information related to its implementation of the Principles for Sustainable Insurance through the following channels:

- Annual ESG Report
- Annual CDP Response