

## ESG Reporting Details

### Details of TD's Materiality<sup>1</sup> Assessment Process and Approach to Stakeholder Engagement

The materiality assessment process of The Toronto-Dominion Bank and its subsidiaries (collectively referred to as "TD", the "Bank", "we" and "our") is in accordance with the Global Reporting Initiative (GRI).<sup>2</sup> Our current cadence for conducting environmental, social and governance (ESG) materiality assessments is once every two years. To employ a dynamic materiality approach, we monitor and review our material topics each year between assessments, leveraging a third-party analytics platform. This process helps us prioritize sustainability-related issues on which to report and helps validate and inform our ESG strategies.

We conducted our most recent ESG materiality assessment in 2022. This assessment was based on the principle of double materiality. We therefore considered ESG topics from two

perspectives: the potential impact of the topic on TD's business (i.e., potential risks and opportunities the topics pose to our business) and the degree to which TD's business activities have the potential to have an impact externally (i.e., on the economy, environment, and/or society).

Our 2022 ESG materiality assessment included input from key stakeholders, including our customers, colleagues, investors, suppliers, communities, NGOs and industry associations, on their priorities and concerns. We also leveraged a third-party analytics platform that incorporates a broad range of external sources, including mandatory regulations, corporate annual filings, voluntary policy initiatives, news and media for input on the analysis.

### TD's 2022 Materiality Assessment

Our assessment process was facilitated by a third-party sustainability consultant and followed three phases:

Phase One: Topic Identification	Phase Two: Assessing Impacts	Phase Three: Topic Prioritization
Mapped the landscape of potential material ESG topics for TD through broad-based desktop research, industry benchmarking, and analyses by a third-party analytics platform.	Assessed the inward impacts on our business and outward impacts by our business using insights gathered through interviews with over 50 internal leaders and approximately 20 external stakeholder groups, workshops, TD's own corporate sources, and analyses by a third-party analytics platform on external sources. Internal and external interviewees and workshop participants identified and ranked ESG topics by level of impact, considering inward and outward risks, opportunities, and influence.	Scored ESG topics quantitatively based on level of impact. ESG material topics were prioritized on an impact matrix according to scores. The results were validated with senior corporate and business executives from across TD. TD's 2022 ESG materiality assessment results were further validated by our ESG SET Forum and the Board of Director's Corporate Governance Committee. Following reviews and validation, results were approved by the Senior Vice President, Sustainability and Corporate Citizenship.

Based on the 2022 ESG materiality assessment results, we organized our priority ESG topics into three groups: "key impact areas" (topics where TD can have the greatest impact), "core focus areas" (topics fundamental to TD and our stakeholders), and "other important topics" (topics to monitor and manage). We consider our material topics to be those that are identified as key impact areas and core focus areas.

The final result of our materiality assessment is provided on page 15 in the [2022 ESG Report](#). Our 2022 results are not directly comparable to those of previous years due to evolutions in our methodology. While they are not new matters of concern to TD, Colleague Health and Well-being, Consumer Protection and Human Rights are newly identified as material topics in our 2022 results. Stakeholder Engagement is now encompassed as an aspect of our Corporate Governance material topic. Our Community Well-being topic was previously termed Social Inclusion.

1. The terms "material" and "materiality", as used in the context of ESG reporting by TD, are not equivalent to similar terms used for securities law purposes, and should not be read as rising to the level of materiality of disclosure required in our securities law filings.

2. TD reports in accordance with the GRI standards. For more information, please visit [www.globalreporting.org](http://www.globalreporting.org).



## ESG Reporting Details (continued)

### Environmental, Social and Governance Stakeholder Engagement

TD is committed to proactive, meaningful stakeholder engagement that enables us to have ongoing dialogue with investors, industry associations, non-governmental organizations (NGOs), and environmental, Indigenous and community organizations. Our interactions with these stakeholders help to inform our internal policies and practices.

With increasing interest from stakeholders about our ESG work in recent years, TD has a team dedicated to managing the ESG engagement process and responding to stakeholder matters. One way we interact with our stakeholders is through industry association memberships. Below is a list of some of the organizations that TD is a member of that have a specific ESG focus:

ORGANIZATION	TOPIC AREA	DETAILS
Black Business Professional Association	Diversity and inclusion	Black Business Professional Association is a non-profit organization that addresses equity and opportunity for the Black community in Canada, in business, employment, education and economic development. TD is a member of Black Business Professional Association.
Boston College Center for Corporate Citizenship	Corporate citizenship	The Boston College Center for Corporate Citizenship is a membership-supported organization dedicated to advancing the field of corporate citizenship by helping organizations align ESG objectives and business goals to create a more sustainable and prosperous future for all. TD is a member of the Boston College Center for Corporate Citizenship.
Business for Social Responsibility (BSR)	Sustainability and human rights	TD is a member of BSR, which is a global non-profit organization that works with its member companies to build sustainable business strategies. TD is also a member of BSR's Human Rights Working Group, which supports companies in implementing the UN Guiding Principles on Business and Human Rights.
Canadian Association of Urban Financial Professionals	Diversity and inclusion	Canadian Association of Urban Financial Professionals is a member-based resource organization providing a link between corporations and the Black community through innovative programs that facilitate economic growth and educational opportunities. TD is a member of Canadian Association of Urban Financial Professionals.
Canadian Coalition for Good Governance	Corporate governance	Canadian Coalition for Good Governance is a corporate governance organization in Canada that seeks to effect change as the voice of institutional shareholders that invest in Canadian public equities. TD Asset Management (TDAM) is a member of Canadian Coalition for Good Governance.
Canadian Bankers Association (CBA)	Various industry topics	TD is a member of the CBA – a national association representing banks operating in Canada. TD participates in public consultations and advocacy initiatives with the CBA on various topics including proposed climate risk and disclosure frameworks from regulators and industry groups.
CDP	Carbon management and disclosure	TDAM is a signatory to the CDP Climate Change program. TD annually responds to the CDP Climate Change Questionnaire, demonstrating its focus on transparency, accountability and effective climate disclosure. TD became a member of the CDP Supply Chain Program in 2016.
Circular Economy Leadership Canada (CELC)	Circular economy	CELC was launched in 2018 as a network of corporate leaders, non-profit research organizations, and academic researchers working to promote the transition to a low-carbon, circular economy in Canada. TD joined CELC in 2022 and is a founding member of CELC's Circular Finance in Canada work stream.
Climate Action 100+	Investment and climate change	Since 2019, TDAM has been an investor member of Climate Action 100+. As an investor member, TDAM engages with some of the world's largest corporate GHG emitters to take necessary action on climate change.
Disability:IN	Diversity and inclusion	Disability:IN is a non-profit resource for business disability inclusion worldwide, to expand opportunities for people with disabilities across enterprises. TD is a member of Disability:IN.



## ESG Reporting Details (continued)

ORGANIZATION	TOPIC AREA	DETAILS
Equator Principles (EP) Association	Environmental and social risk in the financial sector	The EP are a voluntary set of minimum due diligence standards to help financial institutions determine, assess, manage, and report on E&S risks with respect to projects that are in the scope of the EP. The Bank uses a comprehensive set of tools and guidance documents to identify and categorize eligible transactions in accordance with the principles. TD is a member of the EP Association and adopted the EP in 2007.
Financial Health Network	Financial inclusion and health	TD is a member of the Financial Health Network, which is an organization that unites business leaders, policymakers, innovators and visionaries in a shared mission to improve financial health for all.
Housing and Community Development Network of New Jersey	Community and economic development	The Housing and Community Development Network of New Jersey is a statewide association of over 250 non-profit housing and community development corporations, individuals, professional organizations, and prominent New Jersey corporations that support the creation of housing choices and economic opportunities for low- and moderate-income community residents. TD Bank is a member of the Housing and Community Development Network of New Jersey.
Institute of International Finance (IIF)	Various industry topics	TD is a participating member of the IIF's Sustainable Finance Policy Expert Group (SFPEG), Sustainable Finance Data, Disclosure and Classification (SFDDC) Expert Group, and Sustainable Finance Risk & Alignment Methodologies (SFRAM) Expert Group. The SFPEG develops advocacy positions on behalf of the IIF's global membership and manages official sector engagement on sustainability topics. The SFDDC and SFRAM are practitioner forums for discussion around ESG risk management, disclosure, data and taxonomy-related topics.
International Capital Markets Association (ICMA)	Green, social, sustainability, and sustainability-linked bonds standards	TD Securities is a member of the ICMA Principles and, as an issuer, TD Bank Group's Sustainable Bonds Framework aligns with the ICMA Green and Social Bond Principles and Sustainability Bond Guidelines.
National Alliance of Community Economic Development Associations (NACEDA)	Community and economic development	NACEDA is an alliance of 38 regional, state, and national community development associations in 25 states and the District of Columbia, whose members are champions, stewards and thought leaders for community development at the state and local level. TD Bank is a member of NACEDA.
Net-Zero Banking Alliance (NZBA)	Financing the climate transition	The NZBA is a UN-convened coalition of banks that are working to align their lending and investment activities with the goal of achieving net-zero GHG emissions by 2050 or sooner. TD joined the NZBA in October 2021 and has since progressed on its commitments through measuring financed emissions, establishing baselines and setting targets for several carbon-intensive sectors. As a member of NZBA, TD participates in several working groups involved in developing sector-specific guidance and provides feedback on target-setting and reporting requirements for members.
Partnership for Carbon Accounting Financials (PCAF)	Carbon accounting and financed emissions	PCAF is an industry-led group working to develop shared standards for accounting and disclosing GHG emissions related to lending and investment activities. TD is a member of the industry-wide PCAF working group and participates in education and discussion sessions for carbon accounting and financed emissions calculations. Through its membership, the Bank also promotes consistency and harmonized approaches to data, metrics and methodologies.
Philadelphia Association of Community Development Corporations (PACDC)	Community and economic development	PACDC is a membership association that strives to foster strong community development corporations and non-profit community organizations by enhancing their skills and advocating for resources and policies to create a just and inclusive Philadelphia. TD Bank is a member of the PACDC.
Pride at Work	Diversity and inclusion	Pride at Work is a non-profit organization that empowers Canadian employers to build workplaces that celebrate all employees regardless of gender expression, gender identity and sexual orientation. TD is a member of Pride at Work.
RE100	Renewable energy procurement	TD was the first Canadian company to join RE100, a global initiative of influential businesses committed to 100% renewable electricity.



## ESG Reporting Details (continued)

ORGANIZATION	TOPIC AREA	DETAILS
RMI's Center for Climate-Aligned Finance	Clean energy transition	The Center for Climate-Aligned Finance, launched by RMI in July 2020, works to enable financial institutions, corporations, and experts to overcome practical obstacles to sectoral decarbonization. TD participates in discussions on the latest climate-related financial regulation developments.
Sustainable Finance Action Council (SFAC)	Sustainable finance	Launched by the Government of Canada in 2021, the SFAC brings together public- and private-sector experts to advance sustainable finance in Canada and globally. TD's participation enables active engagement in relation to critical market infrastructure needed to attract and scale sustainable finance in Canada. TD's Senior Executive Vice President and Chief Operating Officer, Canadian Business Banking, serves as the Chair of SFAC's Disclosure Technical Expert Group.
United Nations Environment Programme Finance Initiative (UNEP FI)	Environmental issues in the financial sector	TD is a member of UNEP FI working groups aimed at exploring key decarbonization pathways, climate stress tests, physical risk assessments and related disclosures for financial institutions.
UN Principles for Responsible Investment (PRI)	Issues in the financial sector	PRI is a UN-supported international network of investors working to implement its six principles. TDAM was among the first Canadian bank-owned asset managers to sign the UN-backed PRI in 2008.
UNEP FI Principles for Sustainable Insurance (PSI)	Environmental issues in the insurance sector	TD Insurance (TDI) became a signatory of UNEP FI Principles for Sustainable Insurance (PSI) in 2014, the second Canadian company to do so. TDI's AVP of Environment, Government, and Industry Relations, is the vice-chair of the PSI board as well as the board member for North America. Additionally, the TDI President and CEO is a member of the UNEP FI Leadership Council and was the only Canadian insurer representative invited to join the council.
U.S. Green Building Council	Green buildings	TD is a member of this industry organization aimed at advancing green building designs.
Women in Capital Markets	Diversity and inclusion	Women in Capital Markets is a not-for-profit organization in Canada, that execute its mission by building equity literacy, amplifying diverse talent, and uniting Canada's finance industry. TD is a member of the Women in Capital Markets.
TD is a corporate member of a number of supplier diversity certification councils in Canada and the U.S.	Responsible sourcing and supplier diversity	For more details, please visit TD's <a href="#">Responsible Sourcing</a> page.



**TD's Contribution to the Sustainable Development Goals (SDGs)**

The United Nations' (UN) SDGs provide a plan of action to achieve shared prosperity for the world at large. Through 17 goals, 169 targets and 231 related indicators, the SDG Framework aims to help align international efforts to leave a peaceful, healthy and prosperous planet for future generations.<sup>3</sup>

A detailed consideration of the indicators and metrics that comprise the UN's SDG framework has helped us to identify twelve SDGs that are most material to our business and aligned with the goals of the TD Ready Commitment. As we track the impact of the TD Ready Commitment, we will also measure our contribution to these goals and targets.



Engaging in international sector initiatives, sharing insights and thought leadership to support the achievement of the sustainable development goals.

**SDG TARGETS 17.16, 17.17**

<sup>3</sup> <https://sdgs.un.org/goals>

