

# Principles for Sustainable Insurance - Annual Disclosure 2025

## TD Insurance

In 2014, the insurance companies under the TD Insurance brand (collectively TD Insurance or TDI)<sup>1</sup> became the second Canadian-based signatory to the United Nations Environment Programme Finance Initiative's Principles for Sustainable Insurance (PSI). As a PSI signatory, TD Insurance reports on our activities related to embedding the PSI across its operations.

This document outlines the activities TD Insurance has undertaken to demonstrate our commitment to the PSI. We are focused on continuing to refine and add to a strong foundation of governance and strategy that embeds consideration of environmental and social impacts and risks into our business model and decision-making.

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

TDI operates as part of TD Bank Group, and our policies and controls are established at the enterprise level, throughout the organization and with engagement from the Board and executive team.

TDI has established our own committees, advisory board, and task force so that sustainability priorities are front and centre to the business and to support the identification and management of environmental and social risks and opportunities unique to the insurance industry. These committees and their activities are components of TDI's strategy, informed by our commitment to the PSI.

Program	Initiative
TDI Executive Sustainability Governance Committee	The Committee comprises leaders from across TDI who work to embed the PSI and environmental and social considerations into our operational framework.
TDI Climate Risk Task Force	To support the management of TDI's climate-related risks, we formed a task force comprising leaders from across the business and first two lines of defense, including Risk, Compliance, General Insurance, Life & Health, Reinsurance, Claims, and Business Operations Control.
TDI Advisory Board on Climate Change	TDI's Advisory Board on Climate Change consists of external experts from seven Canadian universities and Engineers Canada. Members of the Advisory Board are helping TDI consider ways to support climate resilience in the communities it serves.

## Resilience

An important component of TDI's strategy is promoting awareness and understanding of rising climate-related risks. As an insurance provider for millions of Canadians, we work with our clients to bolster resilience in the face of physical risks from the increasing severity and frequency of wildfires, extreme heat, storms and flooding. Through education, engagement and product design, we work alongside our clients to manage these challenges.

<sup>1</sup> Throughout this report, "we" or "our" refers to TD Insurance.



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## Employee Engagement

Education and engagement are key to embedding environmental and social considerations across our business. To support this, we have programs and initiatives focused on supporting colleagues' sustainability learning and engagement.

Program	Initiative
Green Teams	<p>Every TDI office in Canada has a Green Team, made up of colleagues who volunteer their time to help address local environmental issues. We highlight activities and issues related to Green Team initiatives, and spotlight colleagues' personal stories via a blog and other internal channels.</p> <p><b>Green Teams Initiatives:</b></p> <ul style="list-style-type: none"> <li>• Recruitment for and participation in TD Tree Days, a volunteer based program bringing together community and colleagues to support tree planting across Canada</li> <li>• Spring Seed Giveaway welcomed the start of spring by encouraging colleagues to plant, grow and reconnect with nature.</li> <li>• Gardening event supporting Gibraltar Point Centre for the Arts</li> <li>• Fall Garden Contest encouraging colleagues to share photos of their gardens to promote natural landscapes</li> <li>• Back to School Donation Drive in partnership with the York District School Board helped equip students with the supplies to start the year</li> <li>• Milk Bag collection for repurposing: We collect outer milk bags for donation to local organizations that repurpose them into woven sleeping mats for donation</li> <li>• Meet the Bees Event: Raised environmental awareness through education on pollinators and sustainable practices.</li> </ul>
CN Tower Climb for Nature	<p>In 2025, 200 climbers from TDI's employee community raised over \$38,000 for the World Wildlife Fund Canada (WWF), climbing 144 flights to reach the top of the iconic Toronto tower. For the third year in a row, TD took the title of top fundraising team while also claiming the honour of the largest climb team. This achievement is the first in the Climb for Nature's 33-year history. A member of the TDI Sustainability team was the recipient of the Panda Spirit Award from WWF-Canada recognizing their efforts to make "TD Insurance the top fundraiser and mobilizing thousands to support WWF-Canada's work to protect and restore nature."</p>
Wildfire Education	<p>Wildfire Resilience Forum</p> <p>In 2025, TD Insurance hosted a Wildfire Resilience Forum to raise awareness of Canada's growing wildfire risk. The event brought together experts in forestry, climate science, emergency management, and data analytics to share insights on public perceptions, wildfire science, and practical strategies for preparedness. Employees across functions gained actionable ideas to integrate climate resilience into their work to better support communities before, during, and after wildfire events.</p>
Wildfire Hub	<p>For colleagues across TDI, a dedicated hub was launched that consolidates critical information on wildfire, including a Wildfire Defense Systems FAQ and a FireSmart Canada FAQ on practical tools to support wildfire preparedness.</p>
TDI Black Employee Network (BEN)	<p>TDI BEN delivers meaningful initiatives that promote colleague engagement, support career progression and help find more ways to have greater community outreach.</p>
TD Insurance Internship for Indigenous Peoples	<p>TD Insurance Internship for Indigenous Peoples provides opportunities for young professionals from Indigenous communities to gain skills and experience with various segments of our business while actively participating in and contributing to the celebration and acknowledgement of the history and culture of Indigenous Peoples.</p>
Disabilities Inclusion Network	<p>Focused on tapping into the potential of this underrepresented population, TDI offers an internship program for persons with disabilities.</p>
Training and Education	<p>Training and education are important for good governance and colleague engagement on environmental and social issues relevant to the business.</p> <ul style="list-style-type: none"> <li>• An introduction to ESG principles is included in a TDI onboarding program for applicable new employees</li> <li>• ESG content is available on TDI's on-demand learning platform alongside modules available on the enterprise-wide learning platform</li> <li>• In 2025, a new interactive training module was launched for General Insurance Advice Centre colleagues on electric vehicles</li> </ul>
Talent Advancement Pathway for Indigenous Peoples	<p>The Talent Advancement Pathway for Indigenous Peoples (TAP) is designed to develop and accelerate the growth of our colleagues from Indigenous communities within TDI. Our TAP associates take part in a 24-month opportunity with 6-month rotations across critical areas of TDI, including Operations, Claims, Life and Health, and General Insurance Journey.</p>



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### Risk Management and Underwriting

A multi-disciplinary, company-wide risk management process is critical to assessing environmental, social, and governance risks and opportunities for TDI. As a regulated insurer and part of TD Bank Group, one of Canada's largest financial services organizations, TDI operates under robust operational and enterprise-level risk management processes and frameworks. Moreover, as appropriate in the case of an insurance business, products and services are continually assessed through the actuarial process. At TDI, we understand ESG risks and are cognizant of opportunities available to all lines of business to minimize these risks. Below are some of the ways we manage these risks.

Program	Initiative
Environmental & Social Risk Policy	TD Insurance is governed by the TD Enterprise Environmental & Social Risk Policy and Framework. Together, they set the governance, controls, and E&S considerations required by all TD business lines. Annually, an extensive assessment and challenge process is conducted to certify adherence to the policy across TDI.
Risk Appetite Statement	The TDI Risk Appetite Statement, Risk Insurance Category, considers the impact of climate-related risks in the design of products and in assessment of pricing, reserving and reinsurance protection
Loss Mitigation	An incentive for clients to install sewer back-up valves, or sump pump with battery backup, following a claim in order to reduce future losses.
Underwriting Criteria	Strict criteria for oil tanks, in connection with home heating systems, to qualify for coverage.
CAT Bond	In 2025, TDI successfully sponsored a new catastrophe bond ("cat bond") which will provide TDI additional reinsurance capacity through a multi-year risk transfer of C\$150 million in protection against earthquakes and severe convective storms. The bond represents the first of its kind in Canada.

### Product and Service Development

We are researching, assessing and designing products and services that take into account environmental and social factors while embedding good governance in conducting our business. A prime focus of our product and service development is to better serve our clients by enhancing their resilience to climate-related risks.

Program	Initiative
Alternate Tenant Solution	In 2023, TDI launched its Alternate Tenant Solution, a lower-cost renters' insurance product designed to extend coverage to historically underserved communities.
Extended Water Damage Coverage	In 2019, TDI introduced its extended water damage product – an endorsement that provides coverage against sudden and accidental water damage caused by sewer backup and sump pump failure, ground and surface water entering a home below ground level as well as overland flooding all under one endorsement. In addition, a mitigation feature has been included in the coverage: in the event of a paid loss, we will pay up to \$1,000 toward 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	TDI has offered discounts on insurance for hybrid vehicles in Canada since 2008. In 2011, the program was extended to electric vehicles.
Electric Vehicle (EV, HEV, PHEV) Insurance Product	EV and hybrid vehicle owners can take advantage of additional coverage benefits specific to their vehicles including: EV Rental, Roadside assistance when batteries deplete, and Tesla Certified Auto Centres.
Solar Panel Protection	TDI includes insurance on solar panels in its standard homeowner insurance product; we do not require our clients to purchase additional coverage for their solar panels.
Awareness	TDI has implemented several advice-related initiatives on water damage prevention and earthquake coverage awareness.
TD MyAdvantage	The TD MyAdvantage program is a usage-based, personalized premium program for Ontario and Quebec-based drivers designed to reward safe driving behaviour.
Wildfire Defense Systems	In 2025, TDI continued its partnership with Wildfire Defense Systems (WDS) to service eligible homes within scope that are threatened by wildfire risk. WDS provides loss mitigation services when a home is being threatened, such as clearing defensible space and cleaning gutters.



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Program	Initiative
Digital and Paperless Options	<p><b>Digital Quote &amp; Buy</b> Continuing the journey we began in 2021 to go paperless, we made several changes to our quote and buy process that will enable more of our clients to purchase a home or auto insurance policy online. We also introduced more capabilities on TDI's MyInsurance app to allow for an easier and more convenient experience for our clients.</p> <p>As we work towards exceeding our clients' increasing digital demands, we are proud to introduce capabilities that will allow more clients to transact on MyInsurance and improve the overall digital experience.</p> <p><b>MyInsurance Self-Service Tool</b> This web portal allows clients to view their documents online and thereby helps to reduce waste by decreasing the need for paper documents.</p> <p><b>Paperless Opt-In</b> Paperless opt-in is an initiative that provides existing MyInsurance clients additional options, where possible, to enroll in paperless communications, to help further reduce the number of paper documents we produce and send to clients.</p> <p><b>Digital Chat Function</b> Our Digital Chat function gives TDI clients another convenient option for their interactions with TDI.</p>

### Development or Support of Literacy Programs on Risk, Insurance and Sustainability Issues

Program	Initiative
Financial Education	TD Insurance offers financial education sessions on a variety of subjects to affinity partner organizations to help their members better understand banking, insurance and investing. In 2025, TD Insurance reached 4,532 individuals through sessions on topics including Insurance 101 and Small Business Insurance Literacy.

### Integration of ESG Issues into Repairs, Replacements and Other Claims Services

We recognize that the process of replacement and repair following a claim presents opportunities to increase the resilience of our client's property and reduce the impact on the environment.

Program	Initiative
Bumper Cover Recycling	In 2025, TD Insurance continued its bumper cover recycling program at all eligible TDI Auto Centres across Canada. In the fiscal year, 27,875 plastic bumper covers were transferred to be recycled representing ~80% of all bumper covers replaced by TDI. Auto bumper covers are made of plastics that would otherwise end up in landfills following replacement.
Enhanced Home Coverage	TD Insurance's Enhanced Home Coverage includes additional protection to cover the costs of buying products or materials with potential environmental benefits during repairs. Customers can use this opportunity to install items such as LED lighting, high-efficiency furnaces or reclaimed wooden boards, up to an extra 10% over the amount of their claim (up to \$50,000). In 2024, TD Insurance added resilient materials as an additional option under this coverage.
Resilience-Related Discount	Customers in Alberta who choose stronger and longer life expectancy roofing materials to help reduce damage from extreme weather events, such as hailstorms, receive a discount on insurance.

**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.

### Clients and Suppliers

We place importance on improving our processes and governance model to better anticipate, monitor and manage ESG risks arising from our value and supply chains. The best solutions to mitigate these risks stem from close cooperation with our vendors and suppliers to share expertise, insights and visibility on issues and areas of opportunity.



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## Resilience Journey

At the heart of the work we do under our commitment to the PSI is a focus on helping our clients increase resilience to the increasingly severe effects of extreme weather events.

Educate and Engage	Prepare	Respond	Resilient Rebuild
For TDI clients, resilience begins with education and engagement. TDI works with the Institute for Catastrophic Loss Reduction (ICLR) and other expert groups like the TDI Advisory Board on Climate Change to discover ways Canadians can reduce physical risks to their homes, families and communities.	Whether through the TDI website, app, Claims Advice Line or other direct engagement with clients, we endeavour to provide practical and sound advice on steps that can be taken to mitigate physical risks to homes ahead of potentially damaging or catastrophic events.  The TD Insurance app provides users with severe weather alerts, so clients can prepare and take mitigating action.	If a catastrophic event occurs, TDI Mobile Response Units can be deployed for relief efforts and to assist clients in person, expediting the claims process to help ensure our clients are well supported when disaster strikes.	After a claim, TDI encourages clients to go beyond rebuilding as before. We encourage our clients to rebuild stronger and more resilient to future events. See Enhanced Home Coverage for more details.

Program	Initiative
<b>TDI App:</b> Severe Weather and Safety Alerts	Severe weather and safety alerts, available to our clients via the TD Insurance app, offer advanced, localized notifications about severe weather that's expected in the area, as well as safety tips to help clients prevent damage to their property and belongings.
<b>Newsletters:</b> Proactive Advice Quarterly	Seasonal tips are shared with clients by email to assist with preparation for severe weather events. The advice is tailored to clients' geographic regions and include the likelihood of experiencing water-related losses.
<b>Email Notifications:</b> Severe Weather Events	Customers located within areas predicted to be affected by severe weather will receive advice approximately 48 hours before the event, providing information on preparation for potential impacts to residences and vehicles.
<b>Social Media:</b> Timely Guidance	TD Insurance proactively shares timely weather-related guidance by offering tips to help clients protect their homes and vehicles during upcoming events such as melting snow, freezing rain, or heat alerts. For Earth Day, TDI provided home energy efficiency recommendations to assist clients in reducing their energy bills.
<b>Television:</b> Prevention Tips	Senior Vice President & Chief Claims Officer of TD Insurance appeared on BT Toronto to discuss home water damage prevention tips.
<b>Extreme Weather Hub</b>	TDI developed a dedicated extreme weather article designed to offer comprehensive advice, enabling clients to prepare and mitigate risks to their homes and vehicles from various weather events. In support of wildfire prevention and our partnership with Wildfire Defense System (WDS), we created an advice article educating homeowners in AB, BC, and SK about the property protection services available through WDS.
<b>Water Damage Infographic</b>	An interactive tool was developed to inform clients about water damage coverage and offer guidance on prevention. Customers can use this tool to set calendar reminders for recommended preventative tasks.
<b>Mobile Response Units</b>	The Mobile Response Units (MRU) are portable outposts of TD Insurance that are deployed to communities experiencing disaster. TD Insurance clients can visit an MRU – often stationed in shopping plazas, TD branch parking lots, or other easily accessible spaces – to speak to a TD Insurance Advisor about their insurance coverage or claim.  In 2024, the MRU was deployed to Jasper, Alberta in the wake of severe wildfires.



**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.

Through direct engagement or through industry associations and NGOs we support, we take and encourage action to reduce environmental and social risks and to realize opportunities for positive impact.

## Governments, Regulators and Other Policymakers

Program	Initiative
Federal Government of Canada: National Adaptation Strategy	As a founding member of Climate Proof Canada, TDI continues to work with our partners in advocacy to increase government funding and action to help build a more disaster-resilient country.
Office of the Superintendent of Financial Institutions (OSFI)	<p>On March 7, 2023, OSFI issued Guideline B-15: Climate Risk Management, which sets out OSFI's expectations related to the management and disclosure of climate-related risks and opportunities. In 2025, TDI continued to advance and mature its physical risk and transition risk quantification and management capabilities, including the modeling of its auto insurance-associated greenhouse gases.</p> <p>TDI completed the first standardized climate scenario exercise assigned by OSFI. The exercise served to test and develop capability to assess climate related risk from various climate change scenarios. Consultation between the regulator and the Canadian insurance industry further promoted readiness and knowledge transfer.</p>

## Other Key Stakeholders and TDI Initiatives

Program	Initiative
Climate Proof Canada	As a founding member of Climate Proof Canada, TDI continues to work with our partners in advocacy to increase government funding and action to help build a more disaster-resilient country as detailed in Canada's National Adaptation Strategy. Key focus areas of the recommendations include adapting to extreme heat, building resilient climate infrastructure, enhancing Indigenous resilience, and climate proof housing.
UN Environment Programme Finance Initiative (UNEP FI)	TDI's President and CEO holds a seat on the UNEP FI Leadership Council, the Council's only insurance industry member.
UNEP FI Principles for Sustainable Insurance (PSI)	<p>TDI's Head of Sustainability is a member of the Board of the UNEP FI PSI as the member for North America.</p> <p>In 2025:</p> <ul style="list-style-type: none"> <li>• TDI continued to chair the UNEP FI PSI Social Workstream Committee. Since the publication of its paper: <i>Closing the protection gap in Canada: A Social Sustainability Framework for the Canadian life and health insurance industry</i>, the group has explored the intersection of climate change and mental health. In 2025, TDI hosted a technical roundtable with the Committee and external stakeholders, leading the development of a tool to help insurers incorporate mental health considerations into disaster risk management and insurance product lifecycles.</li> <li>• With fellow Canadian industry peers and signatories to the UNEP FI PSI, TDI helped form a working group to develop a standard methodology to calculate greenhouse gas emissions associated with insurance claims. These efforts will support comparable and consistent reporting of GHGs within the Canadian insurance industry as regulatory requirements come into effect.</li> <li>• TDI co-chaired a workgroup on priority nature-positive actions for insurers.</li> <li>• TDI was a member of a second working group to mainstream nature-related risk assessments and disclosures (TNFD) for insurance.</li> </ul> <p>The nature-positive working group produced the following publication in 2025: <i>Rooted in Risk: Framing nature-related assessments for insurers</i>. The first in a series of foundational guidance documents for the global insurance industry, The "Nature Uncovered for Insurers" series seeks to address a critical gap in guidance on nature-related assessments by providing tailored guidance for insurance underwriting portfolios, empowering insurers to take proportionate and effective action toward a nature-positive and resilient future.</p> <p>The working group produced the following publication in 2024: <i>Insuring a Resilient Nature-Positive Future: Global Guide for Insurers On Setting Priority Actions for Nature</i>.</p>
Canadian Life & Health Insurance Association (CLHIA)	<p>TDI colleagues sit on committees and working groups with industry peers at the CLHIA, including the Climate Change Financial Disclosures working group.</p> <p>In 2025, TDI led a workshop at the 2025 Canadian Life and Health Insurance Association Compliance and Consumer Complaints Conference showcasing the work of the UNEP FI PSI Social Workstream Committee.</p>

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Program	Initiative
TD Scholarship for Indigenous Peoples	TDI led the development of the TD Scholarship for Indigenous Peoples, administered by Aboriginal Financial Officers Association of Canada, which offers 25 scholarships to high school and university students, including \$15,000 per year for up to four years, and employment opportunities at TD such as summer employment between years of study and full-time employment upon graduation.
GlobeXchange	TDI spoke at the GlobeXchange with fellow panelists on how businesses can prioritize the proper management and restoration of nature while continuing to create value and ensuring supply chain stability.
Canada Climate Week	During the first-ever Canada Climate Week, TDI spoke on panels at two events: the first alongside colleagues from the insurance industry, FinDev Canada and UNEP FI on Financing Adaptation and Resilience in Canada, and the second alongside sustainability leaders from a variety of industries on What it Means to Lead Sustainability in the AI Era.
FireSmart Canada	FireSmart Canada is a nationally recognized program that equips homeowners and communities with tools to reduce wildfire risk. Through its website and mobile app, FireSmart offers practical resources and self-assessment tools to support wildfire preparedness and property resilience. In 2025, TDI began promoting FireSmart to help educate homeowner policyholders on how to reduce wildfire risk around their homes and properties.
Wildfire Awareness Society	In 2025, TDI supported a citizen led group in Whitehorse. Through partnership and collaboration with governments and other organizations, the Wildfire Awareness Society seeks to inspire people in the Yukon to reduce their vulnerability to wildfire, through education and the development of evacuation plans.

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

In 2025, along with the annual PSI disclosure, TDI's sustainability strategy, ESG risks, opportunities, and key metrics and milestones are also incorporated in the following TD Bank Group publications:

- [TD Sustainability Report](#)

TDI is active in assessing and integrating, where appropriate, emerging environmental, social and governance best practices, frameworks and reporting standards as they evolve and mature.

