

# ESG Reporting Details

<b>Details on TD's Materiality Assessment Process and Approach to Stakeholder Engagement</b>	1
<b>GRI Boundary Table</b>	2
<b>List of Stakeholder Engagements on Environmental and Social Topics</b>	3

## Details of TD's Materiality Assessment Process and Approach to Stakeholder Engagement

Our materiality process is informed by the Global Reporting Initiative (GRI). From that guidance, we have chosen to define materiality as those environmental, social and governance topics which have the greatest importance to our stakeholders as well as to the bank. We conduct an ESG materiality analysis every two years as we found that for our industry, the issues remain fairly consistent over this time frame. With a two-year assessment cycle, we're able to track trends on issues and it also provides time for TD to demonstrate progress based on findings from the last stakeholder panel. In 2018, we refreshed our materiality assessment to update and prioritize the topics that shape TD's ESG reporting and this report is structured around the nine topics identified.

Our process involved four stages: research and benchmarking, impact mapping, stakeholder interviews and a validation workshop to discuss the assessment findings. From these findings, we determined our material issues.

TD's materiality assessment process was facilitated by an independent third party, BrownFlynn. Stakeholders were chosen based on their relationship with TD, their influence or knowledge of current and emerging sustainability topics. In addition to 13 internal interviews with TD leaders from different business areas, 12 external interviews involved representatives from the following stakeholder groups:

<b>Peers</b>	Citibank
<b>Investors &amp; Shareholders</b>	NEI Investments Ontario Teachers' Pensions Plan
<b>Community Stakeholders</b>	Building Bridges Across the River Mission Measurement CivicAction AVANA Capital Corporation
<b>Influencers/ Think Tanks</b>	United Nations Environment Programme- Finance Initiative (UNEP FI) Centre for Corporate Governance and Sustainability BankTrack Deloitte LLP
<b>Suppliers</b>	Microsoft Corporation

The identification process via internal research and benchmarking as well as stakeholder interviews resulted in a list of 23 potential topics. Through further discussion and analysis, we were able to combine some topics in order to avoid overlap. During the interviews, stakeholders were asked to rank the importance of various ESG topics by the level of risk, opportunity and impact for TD. Moreover, stakeholders were asked to identify, if necessary, any topic not already discussed and prioritized by TD. The result of these interviews, research and analysis is a view of each issue, in terms of its significance to stakeholders and significance to TD, which we display on a matrix (see page 7 in the 2019 ESG Report.)

**2019 Amendment:** Our usual cadence for conducting ESG materiality assessments is once every two years, with the next full assessment planned for 2020. However, since our last materiality assessment, we've seen that the global dialogue on climate change impacts and economic risks has escalated. To reflect this growing importance, we conducted a refresh of the materiality assessment by adding key sources published in 2019, which include:

- [TD's 2019 Annual Report](#)
- [Final Report on the Expert Panel on Sustainable Finance](#)
- [SustainAbility Trends 2019](#)
- [Bank of Canada Financial System Review 2019](#)

As a result of this refresh, the position of *Climate Change* moved up in importance on the matrix. Climate Change is also highlighted as a top and emerging risk in TD's 2019 Annual Report.

<b>Significance to Stakeholders</b> (Scale of 1 to 5)	
Is the topic...	A main interest or concern raised by stakeholders?
	Among the current or future challenges for the sector as reported by peers and competitors?
	The subject of laws, regulations, agreements of strategic significance to organization?
<b>Significance to the Organization</b> (Scale of 1 to 7)	
Is the topic...	Expressed in key organizational values, policies, strategies, management systems, goals or targets?
	A main interest or topic raised by stakeholders invested in the success of the organization?
	The source of a significant risk to organization?
	Related to a critical success factor, strategic driver or competitive advantage?
	Related to a core competency for contributing to sustainable development?
	Having significant financial implications?

The materiality matrix and the associated rankings were presented at a Validation Workshop where relevant leaders throughout the bank discussed the prioritized topics and opportunities raised through the materiality process. The participants made final adjustments to the rankings and discussed TD's actual and potential impact in sustainability terms.

The results of the 2018 materiality assessment were presented to the Corporate Citizenship Council and the Corporate Governance Committee of the Board of Directors.

	MATERIAL TOPICS AT TD	ADDITIONAL SUB-TOPICS	CORRESPONDING GRI STANDARD/ SECTOR SUPPLEMENT	BOUNDARY OF THE MATERIAL TOPIC	PAGE
<b>Environment</b>	Climate Change	Eco-efficiency	GRI 201: Economic Performance 2016 GRI 302: Energy 2016 GRI 303: Water and Effluents 2018 GRI 305: Emissions 2016 GRI 306: Effluents and Waste 2016 G4-FS-EN15	Impact on the environment occurs as result of our business activities and conversely, the environment has a large impact on our business.	20-24
	Responsible Financing	Responsible Investing	G4-FS10	Impact occurs within our business and as a result of our business relationships for the projects we finance and funds we manage.	26-31
<b>Social</b>	Social and Economic Inclusion: • Economic Value • Strategic Philanthropy • Financial Education • Financial Access and Inclusion • Public Health	Sourcing	GRI 201: Economic Performance 2016	Impact occurs throughout TD's footprint through our donations and community involvement. The reach of our financial education programs stretches across the communities in which we do business from coast to coast in Canada and across the Eastern seaboard in the U.S. The impact of our supply chain occurs as a result of our business relationships with suppliers.	32-42
		Tax	GRI 203: Indirect Economic Impacts 2016		
			GRI 308: Supplier Environmental Assessment 2016		
			GRI 413: Local Communities 2016		
			GRI 414: Supplier Social Assessment 2016		
		G4-FS-EC1			
		G4-FS13			
	G4-FS14				
	Customer Experience			Impact occurs during our customer interactions across our footprint from phone and online channels to in branch/ store service.	43-45
	Product and Service Responsibility	Environmentally and Socially Beneficial Products	GRI 417: Marketing and Labeling 2016 G4-FS7 G4-FS8	Impact occurs in the jurisdictions in which we operate and during customer interactions.	46-48
	Diversity and Inclusion	Human Rights	GRI 405: Diversity and Equal Opportunity 2016 GRI 412: Human Rights Assessment 2016	TD's impact on diversity and inclusion starts from within our organization and the impact also spans the diverse communities in which we have a presence.	49-51
	Talent Attraction, Engagement and Retention	Health and Well-being Volunteering	GRI 401: Employment 2016	Impact occurs within our business as we continue to recruit talent, engage and retain our employees.	52-60
	Human Capital Development		GRI 404: Training and Education 2016	Impact occurs within our business as we continue to develop our employees to be ready for the workforce of the future.	61-62
<b>Governance</b>	Data Security and Privacy	Governance and Integrity Risk Management	GRI 102: General Disclosures 2016 GRI 418: Customer Privacy 2016	Impact occurs within our business.	16-17



## List of Stakeholder Engagements on Environmental and Social Topics

TD is committed to proactive stakeholder engagement that enables us to have ongoing dialogue with our investors, industry associations, Non-Governmental Organizations (NGOs), and environmental, Indigenous and community special interest groups. Our interactions with these stakeholders help to influence our internal policies and practices (including our guidelines on responsible lending, our sustainable investing approach, our community focus, and our operations). Here is a representative selection of organizations we have engaged with and the respective discussion topics over the past year. This list does not depict a complete list of all stakeholder engagements in 2019.

ORGANIZATION	TOPIC AREA	NOTES ON ENGAGEMENT
<b>BankTrack and Rainforest Action Network</b>	Bank financing activities	Engagement about the bank's position regarding fossil fuel financing, responsible energy development and human rights.
<b>Humane Society International</b>	Agriculture financing	Engagement regarding animal welfare policies and the bank's consideration of animal welfare in lending, insuring and investing decisions.
<b>Sierra Club</b>	Oil and gas financing	Engagement regarding financing for oil and gas development in the Arctic National Wildlife Refuge.
<b>SumofUs</b>	Bank financing activities	Engagement regarding TD's fossil fuel financing.
<b>Various investors and shareholders</b>	Various topics	<p>Throughout fiscal 2019, TD received various investor and shareholder inquiries and have engaged with these investors on a broad range of topics ranging across the following:</p> <ul style="list-style-type: none"> <li>• Environmental, social and governance (ESG) practices (e.g., governance, corporate strategy)</li> <li>• Management and governance of climate-related risks</li> <li>• Fossil-fuel financing</li> <li>• Financing and investing in energy projects required to transition to a low-carbon economy</li> <li>• Environmental and social risk escalation</li> <li>• Disclosure in line with the final recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)</li> <li>• Responsible investment and lending</li> <li>• Nuclear weapons financing</li> <li>• Firearms financing</li> <li>• Gender-equity practices and compensation</li> <li>• Integration of ESG issues into executive compensation</li> <li>• CEO to employee pay ratio</li> <li>• Data privacy and cybersecurity</li> <li>• Sustainable Development Goals (SDGs)</li> <li>• Future of sustainability reporting</li> <li>• Conduct and culture</li> <li>• Financial product suitability safeguards</li> <li>• Mental health in the workplace</li> </ul>

## List of Stakeholder Engagements on Environmental and Social Topics (continued)

TD is a member of the following organizations that have a specific ESG focus:

ORGANIZATION	TOPIC AREA	DETAILS
<b>Bloomberg North America</b>	Sustainable financing and low-carbon economy	Through TD-Bloomberg Sustainability Dialogues, TD and Bloomberg are contributing to the conversation on the transition to the low-carbon economy and contributing insights and research on how business can help Canada meet its climate goals.
<b>Business for Social Responsibility (BSR)</b>	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 an active member of BSR's Human Rights Working Group which supports companies in implementing the UN Guiding Principles on Business and Human Rights.
<b>CDP</b>	Carbon management and disclosure	TD Asset Management (TDAM) is a signatory to the CDP Climate Change, Water, and Forest programs. TD annually responds to the CDP Investor Questionnaire and maintains a leadership position (a score of A- in 2019) in the Climate Change Program. TD became a member of the CDP Supply Chain Program in 2016 and is one of only 135 companies involved in this program worldwide.
<b>Canadian Bankers Association</b>	Various industry topics	TD is an active member of the Canadian Bankers Association (CBA). We have worked with the CBA on various industry initiatives, including integration of the recommendations of the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD).
<b>Canadian Council for Aboriginal Business (CCAB)</b>	Sustainable business and Aboriginal banking	TD was awarded Gold Level Status in Progressive Aboriginal Relations by CCAB in 2014 and 2017. This certification lasts three years and validates that we are on the right path and demonstrating sustainable progress in our commitments to Indigenous employment, business and community investment.
<b>Carbon Pricing Leadership Coalition</b>	Carbon pricing	TD is a member of the Carbon Pricing Leadership Coalition Investor and Finance Sector Task Team, a working group that brings together leaders from across government, private sector, and civil society to expand the use of carbon pricing globally.
<b>Corporate Renewable Energy Buyers' Principles</b>	Renewable energy buying and procurement	TD has signed on to the Renewable Energy Buyers' Principles, which informs utilities and other suppliers what industry-leading, multinational companies are looking for when buying renewable energy from the grid.
<b>Equator Principles Financial Institutions</b>	Environmental and social risk in the financial sector	TD is a signatory to the Equator Principles.
<b>Green Bond Principles</b>	Green bond standards	TD is a member of the Green Bond Principles as an issuer.
<b>RE100</b>	Renewable energy buying and procurement	TD was the first Canadian company to join RE100.
<b>UN Environment Program Finance Initiative (North America)</b>	Environmental issues in the financial sector	TD is a member of UNEP FI industry association and participates on working committees and in annual meetings. TD is the only financial institution globally participating in all three UNEP FI-led pilot studies on the recommendations set out by the Financial Stability Board's TCFD recommendations.
<b>UN PRI (Principles for Responsible Investment)</b>	Environmental issues in the financial sector	TDAM is a signatory.
<b>UN PSI (Principles for Sustainable Insurance)</b>	Environmental issues in the insurance sector	TD Insurance is a signatory.
<b>U.S. Green Building Council/Canadian Green Building Council</b>	Green buildings	TD is a member of this industry organization aimed at advancing green building initiatives.