

TD Bank Group – Personal Banking ESG Integration Statement

Corporate citizenship and environmental, social and governance (ESG) factors are key parts of TD's strategy and managed within a governance structure that balances broad engagement across the organization, while also providing line-of-sight accountability. We take an integrated approach to ESG, focusing on both opportunities and risks across our business. A strong foundation in ESG performance and disclosure enables the bank's corporate citizenship activities to be conducted with authenticity. We are consistently working to embed responsible practices across TD to build a sustainable business and value over the long term.

Wealth Advisory Business

TD Asset Management Inc. (TDAM), Canada's largest asset manager, directs more than \$322 billion in assets on behalf of retail and institutional investors. TDAM believes that ESG risks are important factors in its investment decisions as highlighted in its Sustainable Investment Policy. In 2009, TDAM became a signatory to the United Nations Principles of Responsible Investment. TD believes that ESG analysis provides an additional lens for more robust investment analysis. TDAM employs a three-pronged approach to assessing company risk that includes:

- **Investment analysis:** We integrate ESG factors into our equity and credit research to highlight risks and to provide insight on potential opportunities.
- **Engagement:** We engage directly and collaboratively with companies across a broad range of industries, meeting with company leaders to understand the potential impacts of ESG risks on their business and the processes they have in place to manage those risks. Our discussions cover the management of environmentally and socially sensitive issues such as fuel efficiency, safety, water treatment and carbon emissions, as well as corporate governance.
- **Proxy voting:** Exercising our voting rights as shareholders is one of the key ways we can positively influence environmental and social practices of the companies in which we invest.

One hundred per cent of TDAM actively managed funds have ESG factors integrated into the investment decision-making.

At TD Wealth, we help our advisors become confident and knowledgeable in discussing ESG risks and opportunities with clients by conducting internal responsible investing training, leveraging the work completed by our asset management partner, TDAM, and sharing our Portfolio Advice and Investment Research (PAIR)'s ESG research. PAIR assists 2,000 advisors from TD Wealth Private Investment Advice, TD Wealth Private Investment Counsel and TD Wealth Financial Planning by providing a wide range of ESG-related services, which include: providing research and information on ESG-related products and methodologies, ESG ratings and risk assessments to help

determine a portfolio's exposure to ESG-sensitive industries, as well as assist advisors looking to construct customized portfolios with high levels of ESG compliance.

We offer clients opportunities to integrate ESG aspects into their portfolios and financial goals. We have a deep client discovery process which includes discussions about how they may wish to leave a legacy and how we can help protect what matters to them.

Lastly, TD Wealth has representation on TD's Sustainable Finance Executive Committee, which was created in 2020 to support TD's efforts to continue to integrate ESG into its investment philosophies and products, while continuing to create the conditions for financial inclusion and environmental health.

Retail Business

TD has processes, products and policies that integrate ESG perspectives into Retail Banking's credit lending business, Customer Due Diligence (CDD) and exclusionary policies. We work with our retail clients to identify the ESG-related products best aligned to their needs.

TD has been an environmental leader as we believe that by helping elevate the quality of the environment, we thereby help people and economies thrive. We are targeting \$100 billion, in total, in low-carbon lending, financing, asset management and internal corporate programs by 2030. As part of our retail business, we offer flexible financing solutions which can be used by our customers to facilitate greener options such as solar panel installation and improving home energy efficiency.

We provide greener options for our customers including offering paperless and online statements, and information on our green tips can be found in branch or on www.td.com. We have also been carbon neutral since 2010.

As part of our long-standing commitment to increasing financial confidence and well-being, we commissioned a [benchmarking study](#) to assess the overall financial well-being of Canadians. The study revealed that while just over a quarter of Canadians surveyed are "financially healthy", 4 in 10 Canadians surveyed are struggling with some or all aspects of their finances. Findings from the survey reinforced the need to significantly enhance financial education to arm Canadians with knowledge and actions they need to overcome their current challenges and thrive in the future. These include but are not limited to: mortgage financing and products for Indigenous communities, packages tailored for individuals who are new to Canada, and support for low-income Canadians through various affordable housing programs.

TD also offers dedicated advice and support for customers experiencing financial hardship. TD provides advice, tools and programs aimed at helping customers live their lives with greater financial confidence. TD colleagues help



deliver financial education programs in many communities, such as Money Matters through ABC Life Literacy, and with full-day “Dollars and Sense” sessions for grade 8 students through Junior Achievement. TD MySpend is a mobile money management app that helps you track your purchases and transactions made from your personal TD Canadian dollar savings, chequing and credit card accounts and automatically groups them into categories, so you know exactly where your money is going. TD also focuses on providing financial education to our colleagues to help them provide quality advice to our customers.

Strong Governance

We are committed to providing customers with a secure online experience that protects our public website and online banking, along with our mobile applications and customers’ confidential information. We train our employees on our privacy policies and procedures and work diligently to protect the integrity of our customer information. Our concern for the safety of customers’ financial and personal information goes beyond our banking relationship with customers. To help prevent fraud, phishing, SMSing and vishing, we work with customers by providing them with helpful tips or information.

Our Customer Due Diligence includes processes that help ensure Anti-Money Laundering, environmental and social elements are reviewed and mitigated to comply with our credit lending and exclusionary policies, where applicable. We conduct enhanced due diligence so we can verify the eligibility and legitimacy of our customers’ funds. We also have policies in place to protect a customer’s information and credit rating. We raise fraud situations to the fraud detection group for further investigation, when appropriate.