

## ESG Reporting Details

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

Our materiality process is informed by the Global Reporting Initiative (GRI). We define material environmental, social and governance (ESG) topics as those that have the greatest importance to our stakeholders as well as to The Toronto-Dominion Bank and its subsidiaries (collectively known as "TD" or the "Bank"). In 2020, we refreshed our materiality assessment to update and prioritize the topics that shape TD's ESG reporting and this report is structured around the 12 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 sustainability consultant, Environmental Resources Management. Stakeholders were chosen based on their relationship with TD, their influence or knowledge of current and emerging sustainability topics. In addition to 16 internal interviews including 33 TD leaders from different business areas, 17 external interviews were also conducted involving representatives from the following stakeholder groups:

PEERS	Citi	COMMUNITY STAKEHOLDERS	Imagine Canada Housing & Community Development Network of New Jersey Rainforest Action Network National Urban League Ontario Black History Society
INVESTORS & SHAREHOLDERS	Caisse de dépôt et placement du Québec Moody's Desjardins Large Global Institutional Investor	INFLUENCERS/THINK TANKS	Global Risk Institute Institute of Corporate Directors Public Policy Forum Business for Social Responsibility UNEP Finance Initiative (UNEP-FI)
		SUPPLIERS	Microsoft Pen Company of America

The identification process via internal research and benchmarking as well as stakeholder interviews resulted in a list of 12 material topics and 6 important topics. 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 17 in the [2020 ESG Report](#).)

#### SIGNIFICANCE TO STAKEHOLDERS (SCALE OF 0-7)

- The topic is:
- A main interest or concern expressed by stakeholders invested in the success of TD
  - Among the current or future challenges for the sector
  - Stakeholders have an expectation that TD will effectively manage the impacts, risks, and opportunities related to the topic
  - TD's management of the topic influences stakeholder decisions

#### SIGNIFICANCE TO TD (SCALE OF 0-7)

- The topic is:
- Expressed in key organizational values, policies, strategies, management systems, goals or targets
  - The source of a significant risk and/or negative financial implications to TD
  - Related to a critical success factor, strategic driver, competitive advantage, and/or positive financial implications to TD
  - Related to a core competency for contributing to sustainable development



## ESG Reporting Details (continued)

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 2020 materiality assessment were presented to the ESG Disclosure Sub-Council and the Corporate Governance Committee of the Board of Directors.

### GRI Boundary Table

	MATERIAL TOPICS AT TD	ADDITIONAL SUB-TOPICS	CORRESPONDING GRI STANDARD/ SECTOR SUPPLEMENT	BOUNDARY OF THE MATERIAL TOPIC	PAGE
Environment	Climate Change		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.	40
	Sustainable Finance	Lending 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.	43
Social	Financial and Economic Inclusion	Economic Value	GRI 201: Economic Performance 2016 G4-FS-EC1 G4FS-6 G4FS-13 G4FS-14 G4FS-16	Impact occurs throughout TD's footprint in the communities we serve. 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.	53
	Social Inclusion	Volunteering	GRI 203: Indirect Economic Impacts 2016 GRI 413: Local Communities 2016 GRI 419: Socioeconomic Compliance 2016	Impact occurs throughout TD's footprint in the communities we serve through our donations and community involvement.	58
	Customer Experience			Impact occurs during our customer interactions across our footprint from phone and online channels to in branch/store service.	63
	Diversity and Inclusion		GRI 405: Diversity and Equal Opportunity 2016	TD's impact on diversity and inclusion starts from within our organization and the impact also spans the diverse communities in which we serve.	69
	Talent Attraction, Development and Retention		GRI 401: Employment 2016 GRI 404: Training and Education 2016	Impact occurs within our business as we continue to recruit talent, engage, develop and retain our employees.	71
Governance	Risk Management		GRI 102: General Disclosures 2016	Impact occurs within our business.	24
	Corporate Governance & Integrity		GRI 102: General Disclosures 2016	Impact occurs within our business.	26
	Data Security and Privacy		GRI 418: Customer Privacy 2016	Impact occurs within our business.	35



## ESG Reporting Details (continued)

### List of Stakeholder Engagements on Environmental, Social and Governance 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 organizations. 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 show a complete list of all stakeholder engagements in fiscal year 2020.

ORGANIZATION	TOPIC AREA	NOTES ON ENGAGEMENT
BankTrack and Rainforest Action Network	Oil and gas financing and human rights	Engagement about the Bank's position regarding fossil fuel financing, responsible energy development and human rights.
Vuntut Gwitchin First Nation and Gwich'in Tribal Council	Oil and gas financing in the Arctic region	Engagement regarding financing for oil and gas development in the Arctic National Wildlife Refuge (ANWR).  This engagement helped to inform TD's policy that it will not provide any new project-specific financial services, including advisory services, for activities that are directly related to the exploration, development, or production of oil and gas within the Arctic Circle, including the ANWR.
SumOfUs	Bank financing activities	Engagement regarding oil and gas financing and the U.S. private prison industry.
Investors and shareholders	Various topics	Over the course of 2020, TD received various investor and shareholder inquiries on a broad range of topics, including: <ul style="list-style-type: none"> <li>• ESG practices (e.g., governance, corporate strategy), surveys and disclosures</li> <li>• Management, governance and disclosure of climate-related risks</li> <li>• Oil and gas financing</li> <li>• Greenhouse gas emissions associated with TD's financing portfolio</li> <li>• Risk assessment processes for the U.S. private prison industry</li> <li>• Financing and investing in energy projects required to transition to a low-carbon economy</li> <li>• TD's response to COVID-19</li> <li>• Gender-equity practices and compensation</li> <li>• Integration of ESG issues into executive compensation</li> <li>• Conduct, culture and human capital management</li> </ul>
Humane Society International	Agriculture financing	Engagement regarding animal welfare policies and the Bank's consideration of animal welfare in lending, insuring and investing decisions.

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

ORGANIZATION	TOPIC AREA	DETAILS
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 an active member of BSR's Human Rights Working Group which supports companies in implementing the UN Guiding Principles on Business and Human Rights.
CDP	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 2020) in the Climate Change Program. TD became a member of the CDP Supply Chain Program in 2016.
Canadian Bankers Association	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).



## ESG Reporting Details (continued)

ORGANIZATION	TOPIC AREA	DETAILS
Carbon Pricing Leadership Coalition	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.
Canadian Council for Aboriginal Business (CCAB)	Sustainable business and Indigenous banking	TD has signed on to become a Procurement Champion with CCAB in 2021. As a CCAB Procurement Champion, TD will continue with its commitment to include Indigenous-owned suppliers in our supply chain. In addition to CCAB, TD is also a member of eight other diverse supplier organizations in North America that certify a supplier's diversity credentials.
Corporate Renewable Energy Buyers' Principles	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.
Equator Principles Association	Environmental and social risk in the financial sector	TD is a signatory to the Equator Principles. The principles serve as a common baseline and framework for financial institutions to identify, assess and manage environmental and social risks when financing projects. As a signatory, TD commits to implementing the principles through our internal E&S policies, procedures and standards for financing projects.
ICMA Green Bond Principles	Green bond standards	TD is a member of the Green Bond Principles as an issuer.
Partnership for Carbon Accounting Financials (PCAF)	Carbon Accounting and Financed Emissions	In 2020, TD joined the PCAF to support the development of carbon accounting methodologies for financial institutions globally. As an initial step on our path to achieve our target of net-zero emissions associated with our operations and financing activities by 2050, TD is working to establish Scope 3 financed emission baselines, leveraging the PCAF methodology, to inform our interim GHG reduction goals.
RE100	Renewable energy buying and procurement	TD was the first Canadian company to join RE100.
UN Environment Programme Finance Initiative (North America)	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 global financial institution participating in the UN-led TCFD pilots across all three financial business lines, including lending, asset management and insurance.
UN Principles for Responsible Investment (PRI)	Environmental issues in the financial sector	TDAM is a signatory.
UNEP FI Principles for Sustainable Insurance (PSI)	Environmental issues in the insurance sector	TD Insurance is a signatory.
U.S. Green Building Council	Green buildings	TD is a member of this industry organization aimed at advancing green building initiatives.

