



Independent auditor's report

To the Management of Toronto-Dominion Bank

Opinion

We have audited the Schedule of Use of Proceeds from the Green Bond (the "Schedule") related to the proceeds of the Green Bond maturing September 11, 2020 (the "Green Bond") of Toronto-Dominion Bank (the "Bank") as at October 31, 2020 and the notes to the Schedule.

In our opinion, the accompanying Schedule is prepared, in all material respects, in accordance with the financial reporting provisions in the *Use of Proceeds* section of the TD Green Bond (2017) Term Sheet dated September 7, 2017 (the "Term Sheet").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Schedule* section of our report. We are independent of the Bank in accordance with the ethical requirements that are relevant to our audit of the Schedule in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Basis of Accounting

We draw attention to Note 2 below, which describes the basis of accounting for the Schedule. The Schedule was prepared to assist the Bank in disclosing its use of proceeds allocation activities related to the Green Bond. As a result, the Schedule may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Schedule

Management is responsible for the preparation of the Schedule in accordance with the financial reporting provisions of the Term Sheet and for such internal control as management determines is necessary to enable the preparation of the Schedule that is free from material misstatement, whether due to fraud or error.



Those charged with governance are responsible for overseeing the Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Schedule

Our objectives are to obtain reasonable assurance about whether the Schedule as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the Schedule, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Ernst + Young LLP

Chartered Accountants
Licensed Public Accountants

March 1, 2021
Toronto, Canada



**Toronto-Dominion Bank
Schedule of Use of Green Bond Proceeds
As of October 31, 2020**

(MM USD)

Balance as of November 1, 2019	997.5
Add: Net proceeds from 2020	-
Net proceeds available for allocation	997.5

**Proceeds used for the allocation to Eligible
Projects:**

Hydroelectric	-
Solar Power	15.6
Wind Energy	6.4
Building Efficiency	764.7
Transportation Efficiency	210.8
Sustainable Waste Management	-
Total allocated proceeds October 31, 2020	997.5

Remaining unallocated proceeds -



Notes to the Schedule of Use of Green Bond Proceeds

1. Background

In 2014, TD issued the first green bond from a Canadian commercial bank - a \$500 million three-year bond that matured on April 3, 2017. In 2017, TD issued its second green bond, a US\$1 billion three-year bond maturing on September 11, 2020, which was one of the largest green bond offerings by a bank in the developed markets at that time. TD Green Bonds support North American projects that contribute to the low-carbon economy through:

1. Renewable energy generation: Investments that help supply energy from renewable and low carbon sources.
2. Energy efficiency and management: Investments that help reduce energy consumption or help manage and store energy.
3. Green infrastructure and sustainable land use: Investments that support conservation, sustainable land, waste or water management, and enhance climate resiliency.

2. Basis of Accounting

An amount equal to the net proceeds of the sale of the Notes will be used to fund the financing or refinancing of North American project loans, equipment loans, and/or general corporate finance loans and revolvers, where the use of such funds meets the TD Green Bond Eligibility Criteria (defined below). Some or all of such amount can also be used to fund general corporate finance loans and revolvers for borrowers that derive at least 95% of revenue from sources that meet the TD Green Bond Eligibility Criteria; provided that such general finance loans and revolvers are not used by such borrowers to fund activities that do not meet the TD Green Bond Eligibility Criteria.

We expect amounts equal to the net proceeds of the sale of Notes to be fully allocated to Eligible Green Projects within 18 months of the date of original issuance of the Notes. Amounts equal to the net proceeds of the sale of the Notes will be held in a segregated investment portfolio consisting of cash or short-term liquid money market instruments (the "TD Green Account"). Funds will be released from the TD Green Account to pay the actual funding obligations of an Eligible Green Project or, to the extent general funds of the Bank are instead used or have been used to fund Eligible Green Projects, such released funds may be used by us for general corporate purposes. Eligible Green Projects include existing projects with disbursements made by us during the 24 months preceding the issue date of the Notes.

Consequently, on the issue date of the Notes, an equivalent amount of the net proceeds from the sale of the Notes will be released from the TD Green Account to be used by us for general corporate purposes. Payment of principal and interest on the Notes will be made from our general funds and will not be directly linked to the performance of any Eligible Green Project.

The Green Bond Principles, 2018: Voluntary Process Guidelines for Issuing Green Bonds as well as TD's Green Bond Framework dated September 2017 describe the basis of allocating the use of proceeds and other relevant information for the Green Bond. This Schedule of Use



of Green Bond Proceeds was prepared to assist TD in disclosing its Use of Proceeds allocation activities related to the Bond. As a result, it may not be suitable for another purpose.