

TD Green Bond (2017) Issuance – Use of Proceeds

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.

Please refer to the [TD Green Bond Framework](#) for more information on TD Green Bonds.

2017 Green Bond Issuance

In 2020, the annual environmental benefits of projects allocated to the TD Green Bond issued in 2017 include¹:

- Over 14,000 MWh of energy saved or green energy generated, enough to power over 1,100 homes for one year
- Over 6,000 tonnes CO₂e reduced/avoided, equivalent to removing nearly 1,300 passenger vehicles driven for one year off the road
- Over \$1.1 million in natural capital value generated

Three projects funded by the 2017 TD Green Bond are featured below, as well as a breakdown of benefits and use of proceeds by project category.²

Rutherford GO Station

Amount Allocated: US \$51.1 million	Project Lifetime: 4.2 years
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Project Description:

The project scope includes addition of tracks and expansion of the Rutherford GO Station. The project is part of the GO Rail Expansion project. GO Rail Expansion will transform the transportation network in the Greater Toronto and Hamilton Area over the next decade into a system that is planned to deliver two-way, all-day service every 15 minutes over core segments of the GO Rail network. System-wide infrastructure upgrades will include: adding tracks, expanding stations, electrification of the rail network, new locomotives and train control systems to enable more frequent service.

Environmental Benefits:

Expected to reduce traffic congestion, greenhouse gases and fuel consumption.

Solar Power Generation

Amount Allocated: US \$1.2 million	Project Lifetime: 20 years ³
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Project Description:

A limited partnership established between Mann group entity and a First Nation group with the sole purpose of operating two rooftop solar facilities located in Ontario – one in Kincardine and the other in Hanover.

Environmental Benefits:

Expected annual renewable energy generation of 0.35 MWh (combined locations) from solar PV (rooftop).

81 Bay

Amount Allocated: US \$45.7 million	Project Lifetime: N/A
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Project Description:

81 Bay is the construction project of a 49-storey office tower which is the first tower of a 3 million square feet two tower campus being developed in downtown Toronto, known as CIBC SQUARE. A 1-acre elevated park will also connect the two towers. This complex has been designed with structural and architectural sustainability features, exceeding mechanical, electrical and security expectations. This project is being developed by global real estate leaders Ivanhoé Cambridge and Hines.

Environmental Benefits:

This project was designed to meet the highest standards for efficiency, connectivity and wellness. The complex is engineered to LEED Platinum and WELL Building Standard specifications.

1. Analysis completed by consultants, based on data derived from project owners.
2. Information and specifications below, including environmental benefits, have been provided by the project party.
3. As per Feed-in Tariff ("FIT") contract with Independent Electricity System Operator



TD Green Bond 2017 Issuance – Use of Proceeds as at October 31, 2020

CATEGORY	TD GREEN BOND CRITERIA	ALLOCATED AMOUNT (\$MM USD) ^{4,5,6,7}	ANNUAL ENERGY SAVED OR GREEN ENERGY GENERATED (MWH)	ANNUAL GHG EMISSIONS REDUCED/AVOIDED (TONNES CO ₂ E)	NATURAL CAPITAL VALUE (CAD)
Hydroelectric	Construction and operation of hydro (existing hydropower assets in temperate zones, or new hydropower facilities under 25 MW generation capacity)	—	—	—	—
Solar Power	Development, construction and operation of solar energy facility	\$15.6	3,183	1,276	\$229,961
Wind Energy	Development, construction and operation of wind energy facilities	\$6.4	4,097	1,643	\$296,054
Building Efficiency	Green buildings – new buildings and retrofits to existing buildings to achieve LEED and other green building certification	\$764.7	6,911	3,357	\$605,009
Transportation Efficiency	Retrofit or replace fleets and invest in public transportation, clean fuel technology, electric vehicles, etc.	\$210.8	Not Available ⁸	Not Available ⁸	Not Available ⁸
Sustainable Waste Management	Improvements in minimization, collection, recycling, storage and disposal, and composting	—	—	—	—
TOTAL		<input checked="" type="checkbox"/> \$997.5	14,191	6,276	\$1,131,025

Facts and figures over which Ernst & Young LLP provided reasonable level assurance
Totals may not add up due to rounding

Natural Capital Valuation

TD GREEN BOND PROJECTS	2020
Carbon reduced or avoided (tonnes CO ₂ e):	6,276
Natural Capital Value:	\$1,131,025

TD Economics⁹ has defined natural capital as “the stock of natural resources (finite or renewable) and ecosystems that provide direct or indirect benefits to the economy, our society and the world around us.” Natural capital valuation allows us to understand the true costs, benefits and return on investment of planned activities.

Proceeds of the TD Green Bond were used to fund projects that provided a measurable environmental benefit, such as the construction of energy-efficient buildings, solar farms, wind power developments and low impact hydroelectric facilities. The TD Green Bond not only provides a financial return to investors but also provides an environmental benefit – or return – to society. The value of the natural capital benefits associated with the TD Green Bond in fiscal 2020 was approximately \$1.1 million.¹⁰

4. All allocated deal values are refinancing and category allocations are subject to vary on an annual basis.

5. Visit the fiscal year 2020 Assurance Report from E&Y LLP.

6. TD received cash proceeds of US\$997.5 million net of agency fees.

7. For more information on the basis of allocating the use of proceeds, visit the [TD Green Bond Framework](#).

8. Impact metrics cannot be quantified at this time due to data limitations.

9. <https://www.td.com/document/PDF/economics/special/NaturalCapital.pdf>

10. Analysis completed by consultants, based on data derived from project owners.

