

## TD Sustainability Bond (2020) Issuance – Use of Proceeds

TD is committed to being a sustainability leader and is working to embed environmental and social principles into its products and processes. Green, social and sustainability bonds (collectively “sustainable bonds”) are one way of demonstrating our commitment to increasing the flow of capital to low-carbon and socially responsible economic growth. In 2020, TD issued its first sustainability bond – a US\$500 million three-year bond maturing on September 28, 2023 and was the first-ever sustainability bond in SOFR format.

TD Sustainable Bonds support projects in Canada and the United States that contribute to economic growth and environmental sustainability. An amount equal to the net proceeds of the sustainability bond will be used to finance and/or refinance, in part or in whole, loans, investments and internal or external projects that meet the TD Sustainable Bonds Framework’s criteria. Please refer to the TD Sustainable Bonds Framework for more information on the eligible categories and TD Sustainable Bonds.

### 2020 Sustainability Bond Issuance

Four projects funded by the 2020 TD Sustainability Bond are featured below, as well as a breakdown of benefits and use of proceeds by project category.<sup>1</sup>

#### Affordable/Community Housing

**Amount Allocated:**

US \$5.4 million

**Project Description:**

Canada Mortgage and Housing Corporation (CMHC) insured mortgage over a 50-unit Multi Residential Affordable Housing building located in Halifax, NS.

**Social Benefits:**

Planned to provide new affordable housing units in the community where vacancy rates remain very low. With loan guarantee flexibilities under CMHC’s affordable flex program, borrowers had to demonstrate affordability of their project that includes two key criteria, being the total residential rental income must be at least 10% lower than comparable market rents; and 20% of the project’s units must rent for less than 30% of the median household income for the area.

#### Affordable Basic Infrastructure

**Amount Allocated:**

US \$15.2 million

**Project Description:**

The Wataynikaneyap Power LP project will build a transmission line connecting 17 First Nations communities in Northern Ontario to the provincial power grid. The project will help reduce the need to source power from diesel fuel and reduce greenhouse gas (GHG) emissions. The Wataynikaneyap transmissions project is the first of its kind to be majority-owned by First Nations communities.

**Social Benefits:**

By providing reliable, clean, and cost-effective energy, this project is intended to help improve the health, economic opportunities and overall wellness of the impacted communities. It is targeted for completion in 2023, and is expected to supply energy to over 14,000 First Nations people and residents across Northwestern Ontario. It is also expected to create about 769 jobs during constructions, along with many other new economic opportunities.

#### Clean Transportation

**Amount Allocated:**

US \$78.5 million

**Project Description:**

The Finch West Light Rail Transit (LRT) project is part of the Ontario Government’s commitment to expand transit in the Greater Toronto and Hamilton Area. With 18 stops across 11 kilometres of rail, the LRT will run along Finch Avenue West from Keele Street to Highway 27, where it will turn, then travel south to the Humber College north campus. It will connect with Toronto’s existing transit system as well as Peel and York Regions local transit.

**Environmental Benefits:**

The Finch West LRT will give those in northwest Toronto a transit system that offers more choices to travel. The project is planned to provide new cycling infrastructure, and is expected to result in less travel time and increased reliability.

#### Green Buildings

**Amount Allocated:**

US \$41.0 million

**Project Description:**

61 Ninth Ave is a nine-story, 164,942 rentable square foot office and retail building located at the intersection of Manhattan’s Meatpacking District and Chelsea neighborhoods.

**Environmental Benefits:**

61 Ninth Avenue is LEED Gold Certified. Features include:

- More than 10,000 square feet of outdoor green space on rooftop, terraces and setbacks, planted with native and/or adaptive vegetation
- Reduced heat island effect with high-albedo surfaces and roofing materials
- Harvested and re-used rainwater for irrigation and cooling tower use
- Enhanced commissioning of all building systems, submeter network
- Regenerative drive elevators, automated demand response capabilities, variable drive HVAC motors and high efficiency condensing boilers
- Industry-leading green cleaning program
- Bicycle storage and shower facilities for employees

1. Information and specifications below, including expected benefits, have been provided by the project party.



## Allocation Reporting

Use of Proceeds as at October 31, 2020

Eligible Category	Allocated Proceeds (\$MM USD)
<b>Social Categories</b>	
Affordable/Community Housing	\$114.2
Affordable Basic Infrastructure	\$15.2
Access to Essential Services: Healthcare	\$32.3
Access to Essential Services: Education	\$8.5
Socioeconomic Advancement and Empowerment	\$26.1
Employment generation, and programs designed to prevent and/or alleviate unemployment stemming from socioeconomic crises, including through the potential effect of SME financing	-
<b>Social Total</b>	<b>\$196.1</b>
<b>Green Categories</b>	
Renewable Energy	\$1.8
Energy Efficiency	\$1.0
Green Buildings	\$220.5
Clean Transportation	\$78.5
Environmentally Sustainable Management of Living Natural Resources and Sustainable Land Use	-
Pollution Prevention and Control	-
Sustainable Water and Wastewater Management	-
<b>Green Total</b>	<b>\$301.9</b>
<b>Total</b>	<input checked="" type="checkbox"/> <b>\$498.0<sup>2,3,4,5</sup></b>

Balance of unallocated proceeds equals \$0

Totals may not add up due to rounding

Facts and figures over which Ernst & Young LLP provided reasonable level assurance

## Impact Reporting

Impact metrics for this bond will begin to be reported in fiscal year 2021.

2. TD received cash proceeds of US\$498 million net of agency fees.

3. All proceeds allocated for fiscal year 2020 were refinanced eligible assets.

4. Visit the [2020 Assurance Report](#) from E&Y LLP.

5. For more information on the basis of allocating the use of proceeds, visit the [TD Sustainable Bonds Framework](#).

