



TD Bank Group Investor Presentation

October 2016

Corporate Responsibility at TD



Given the direct and indirect impacts of our business, we are profoundly aware of the need to embed corporate responsibility into business decisions.

Our Vision:

To Be The Better Bank

Our Mission:

We will be the Best Run, Customer-focused, Integrated Financial Institution with a Unique and Inclusive Employee Culture

Our Strategy:

To produce long-term, profitable growth by building great franchises and delivering value to our Customers, Shareholders and Communities

Our Guiding Principles:

- Deliver Legendary Customer Experiences
- Be an Extraordinary Place to Work
- Operate with Excellence
- Understand Our Business
- Take Only Risks We Understand and Can Manage
- Enhance Our Brand
- Increase Shareholder Value

Our Corporate Responsibility Strategy is built on four themes that contribute to TD's overall vision.



Be an Environmental Leader



Continuously improve our environmental footprint
Embed the environment into our financing decisions
Provide green product and service options for customers
Engage stakeholders

Environment is embedded in our business strategy



Business drivers:

- Reduce environmental risk in finance and investing
- Increase market share by realizing environmentally driven business opportunities
- Reduce operating costs by reducing the environmental footprint of our operations
- Attract and retain talent
- ***Build Our Brand Value Through Leadership***

MEMBER OF
**Dow Jones
Sustainability Indices**
In Collaboration with RobecoSAM

Only Canadian bank on the DJSI World Index; 100th percentile for climate strategy and environmental reporting

**Top-scoring Canadian
financial institution**

CDP Climate Disclosure
Leader 2015



Among 100 SRI investors, TD remained the top holding out of Canada's banks.



Ranked third globally among 20 top performers for managing climate change risk, with TD leading all banks

Leading by Example



- First North American-based carbon neutral bank (2010); Source renewable energy to account for 100% of electricity
- First net zero energy retail branch
- First asset manager of a major FI to be a signatory to the UN Principles for Responsible Investing (UN PRI) (2009); signatory to UN Principles for Sustainable Insurance
- CDP Carbon Supply Chain management initiative
- TD Economics is a leader in environmental economics
- TD is a member of the ICMA Green Bond Principles
- TD active in green bond underwriting since 2010
- One of the first North American FIs to use Natural Capital methodology to quantify TD's overall environmental benefit; methodology reviewed by TruCost, an industry leader in analyzing natural capital impacts

61%

reduction in GHG intensity per \$millions revenue since 2008

RE 100

TD received the U.S. EPA Green Power Leadership Award for sustained excellence in green power
EPA Green Power Partnership

Natural Capital Value

\$34MM

Operations

Carbon Neutral
Since 2010

\$2MM

Green Financing

C\$500MM
TD Green Bond

\$3.5MM

Community

Protecting 58,000
acres of Forests



Inaugural C\$ Green Bond



- On March 28, 2014, TD issued the first green bond from a Canadian commercial financial institution
- The C\$500MM 1.824% 3 Year Fixed Rate Deposit Note matures on April 3, 2017
- Attracted the interest of mainstream funds and several Socially Responsible Investing (“SRI”) funds
- Annual environmental benefits (2015):



160,000 MWh
of energy saved
or green energy
generated, enough to
power over 14,500
homes



Over 20,000
tonnes CO₂e
reduced/avoided,
equivalent to
removing 4,200
passenger
vehicles



Over \$2 million
in natural capital
value

\$500,000,000



The Toronto-Dominion Bank
1.824% Fixed Rate Deposit Notes
due April 3, 2017

March 2014



Sole Lead Agent & Bookrunner

External Review - Verification



DNV GL undertook a review of TD's existing green bond framework.

“Overall, DNV GL believes that TD's green bond framework is robust and meets the Green Bond Principles 2016.”

TD Bank Group Green Bond Framework

DNV GL Opinion

DNV GL undertook a review of the TD Bank Group (TD) existing green bond framework, based on the following:

- 1) TD's pipeline of assets/projects that have the potential to be eligible for inclusion in a green bond;
- 2) DNV GL's minimum eligibility criteria within DNV GL's Green Bond Protocol; and
- 3) Previous green bond issuances.

The purpose of the review was to assess the existing criteria for suitability and to identify additional acceptable criteria for asset/project selection, as well as to review TD's green bond framework against the Green Bond Principles.

1.1 Use of Proceeds

TD's green bond framework specifies eligible categories that are aligned with the Green Bond Principles 2016. It also includes defined eligibility criteria for each category and sub-category, including reference to applicable 3rd Party standards where applicable.

1.2 Project Selection Process

The green bond framework includes details on the process and functions within TD responsible for the selection of eligible projects that meet the defined criteria.

1.3 Management of Proceeds

The proposed management of green bond proceeds is in line with accepted practices of a green bond issuance and with Green Bond Principles 2016.

1.4 Reporting

TD's commitment to 3rd Party review of post-issuance reporting as well as the outlined report content supports the Green Bond Principles and investor expectations on transparency and measurable impacts where possible.

1.5 Conclusion

Overall, DNV GL believes that TD's green bond framework is robust and meets the Green Bond Principles 2016. In our review we identified areas where additional clarification would improve transparency and compliance which TD has reflected within its green bond framework.

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Green Bond Principles Alignment



Principle	Green Bond Principles 2016	How TD's Green Bond Framework Satisfies Requirements	Aligned
Use of Proceeds	<ul style="list-style-type: none"> All Green Project categories should provide clear environmental benefits Recommend issuers provide an estimate of the share of financing vs. re-financing and clarify which investments may be refinanced 	<ul style="list-style-type: none"> Eligible project categories demonstrate clear environmental benefits and align with Green Bond Principle categories Provides estimate of financing vs. refinancing 	
Process for Project Evaluation & Selection	<ul style="list-style-type: none"> The issuer should outline a process to determine how projects fit within eligible Green Projects categories, related eligibility criteria and environmental sustainability objectives Issuer's process for project evaluation and selection should be supplemented by an external review 	<ul style="list-style-type: none"> TD's business segments assess potential projects against the TD Green Bond Eligibility Criteria TD Environment reviews and approves project selection for the Green Bond Final selection of projects approved by TD's Chief Environment Officer, and third party assured, annually as at Oct 31 (fiscal year end) 	

Green Bond Principles Alignment



Principle	Green Bond Principles 2016	How TD's Green Bond Framework Satisfies Requirements	Aligned
Management of Proceeds	<ul style="list-style-type: none"> Net proceeds of Green Bond should be credited to a sub-account, moved to sub-portfolio or otherwise tracked by the issuer Balance of the tracked proceeds should be periodically adjusted to match allocations to eligible Green Projects Issuer's management of proceeds should be supplemented by the use of an auditor, or other third party, to verify internal tracking method and allocation of funds 	<ul style="list-style-type: none"> TD aims for proceeds to be fully allocated within 18 months of the bond issuance Pending the allocation of general funds to eligible Green Projects, TD's Treasury and Balance Sheet Management (TBSM) team invests proceeds in a segregated investment portfolio consisting of cash or short-term liquid money market instruments. As eligible loans are funded, investments are sold, releasing funds from the account to offset the green commitments Release of funds third party assured annually Ernst & Young provides third-party review and assurance of the allocation of proceeds, annually 	
Reporting	<ul style="list-style-type: none"> Issuers keep readily available up to date information on the use of proceeds Includes list of the projects to which proceeds have been allocated, brief description of the projects, amounts allocated and their expected impact 	<ul style="list-style-type: none"> Internal quarterly tracking of financing for all eligible loans and loan details Public reporting on use of proceeds and associated environmental benefit at an aggregate level, and for sample projects, along with Ernst & Young's annual review, in TD's annual Corporate Responsibility Report ; linked to Investor Relations website DNV GL external review and verification of TD Green Bond Framework and TD green bond issuance, for alignment to Green Bond Principles 2016 	

Use of Proceeds



Proceeds will fund the financing/refinancing of North American project loans, equipment loans, and general corporate finance loans/revolvers that meet TD Green Bond Eligibility Criteria:

Area	Description	Categories
Renewable energy generation	Investments that help supply energy from renewable and low carbon sources	<ul style="list-style-type: none"> • Wind energy • Geothermal energy • Solar energy • Tidal and ocean energy generation • Biomass¹ • Small scale hydropower (<25MW); • Traditional hydropower²
Energy efficiency and management	Investments that help reduce energy consumption or help manage and store energy	<ul style="list-style-type: none"> • Commercial, residential buildings • Industrial processes, transportation • Energy distribution, storage and management • Climate change and eco-efficient products, production technologies, and processes
Green infrastructure and sustainable land use	Investments that support conservation, sustainable land, waste or water management, and enhance climate resiliency	<ul style="list-style-type: none"> • Sustainable agriculture • Sustainable forestry • Water management/treatment • Sustainable waste management • Conservation • Pollution prevention and control

¹ Bioenergy from sources that do not deplete existing terrestrial carbon pools

² Existing hydropower assets in temperate zones

Use of Proceeds & Environmental Impact



Use of proceeds and resulting environmental impacts are listed below:
(source 2015 TD Corporate Responsibility Report)

Category	TD Green Bond criteria	Allocated amount ^{1,2,4} (\$MM)	Annual energy saved or green energy generated (MWh)	Annual GHG emissions reduced/avoided (Tonnes CO ₂ e)	Natural capital value
Hydroelectric	Construction and operation of hydro (run of river hydro < 15 MW)	\$14.6	N/A ⁵	N/A ⁵	N/A ⁵
Solar power	Development, construction and operation of solar energy facility	\$27.3	4,600	40	\$11,694
Wind energy	Development, construction and operation of wind energy facilities	\$54.7	145,543	5,331	\$233,922
Building efficiency	Green buildings new buildings and retrofits to existing buildings to achieve LEED Platinum certification	\$230.9	9,526	2,775	\$ 365,376
Transportation efficiency	Retrofit or replace fleets and invest in public transportation, clean fuel technology, electric vehicles, etc.	\$130.3	N/A ⁶	12,264	\$1,466,801
Sustainable waste management	Improvements in minimization, collection, recycling, storage and disposal, and composting	\$40.9	N/A ⁶	N/A ⁵	N/A ⁵
TOTAL		✓ \$498.8³	159,669	20,410	\$2,077,793

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

¹ Includes financing or refinancing of existing and/or future projects including the committed amount of loans financed or refinanced.

² For more information on the basis of allocating the use of proceeds, see the [TD Green Bond Term Sheet for Investors](#).

³ TD received cash proceeds of \$498.8 million net of agency fees.

⁴ See 2015 Assurance Report from E&Y LLP.

⁵ Impact metrics cannot be quantified at this time due to data limitations.

⁶ Metric not applicable.

Sample Projects Funded



Ontrea Inc./ Cadillac Fairview (Calgary City Centre)

Amount Allocated: \$66 million	Project Lifetime: 4 years
Project Description: Construction of the Calgary City Centre, a 36-level, 853,000 square-foot Class AA office tower located in downtown Calgary. The building is designed to achieve LEED Platinum certification (the highest level attainable).	
Environmental Benefits: Once fully operational, the project will save approximately 1,554 MWh annually and 964 tonnes CO ₂ e annually and to generate nearly \$130,000 in natural capital value. Building features include: <ul style="list-style-type: none"> • Using 25-45% less energy relative to the Model National Energy Code for Buildings (1997) • Low-maintenance green surface covering 50% of roof areas • Meeting LEED-approved standards for enhanced indoor air quality • Dedicated area for the collection, separation and storage of recyclable materials 	

Crosslinx Transit Solutions General Partnership

Amount Allocated: \$130 million	Project Lifetime: 8.2 years
Project Description: The largest transit expansion in Toronto's history, the Eglinton Crosstown is expected to be completed by 2021. This light rail transit (LRT) line will be 19.7 kilometres long with up to 25 stations, linking 54 bus routes, three subway stations and various GO Transit lines. At a total cost of \$5.3 billion, the Crosstown is structured as a public-private partnership among the Government of Ontario and various private-sector institutions.	
Environmental Benefits: Rapid transit encourages auto users to take transit. This shift results in a decrease in GHG emissions. Once the project is fully operational, the total annual reduction in GHG emissions is estimated to be 500,000 tonnes of CO ₂ e, of which TD's funding share is responsible for approximately 12,300 tonnes CO ₂ e. Additionally, TD's portion of funding generated nearly \$1.5 million in natural capital value in fiscal 2015.	

Rainy River First Nations Corporation

Amount Allocated: \$12 million	Project Lifetime: 20+ years
Project Description: Long-term financing of one of three solar projects located in Ontario's Rainy River area, about 20 kilometres west of the Rainy River First Nations community. Once fully operational, these projects will generate enough electricity to meet the needs of approximately 3,080 households. Under the terms of the Feed-in Tariff contract, 100% of the electricity generated by the projects will be sold to Hydro One and delivered to homes and businesses across Ontario.	
Environmental Benefits: The project is estimated to generate 37,000 MWh of clean electricity and save 319 tonnes of CO ₂ e. TD's funding share is responsible for 3,700 MWh of this generated electricity, as well as 32 tonnes of CO ₂ e avoided. Additionally, TD's portion of funding has generated over \$42,000 in natural capital value in fiscal 2015.	

Reporting – Investor Relations Website



IR Homepage

Corporate Overview

Financial Reports

Annual Reports

Presentations and Events

Annual Meetings

Share Information

Debt Information

Senior Debt Programs

► **Green Bonds**

Senior Medium Term Notes Program

Subordinated Notes

Structured Covered Bonds

Legislative Covered Bonds

Asset Securitization Programs

Credit Ratings

Regulatory Disclosures

Regulatory Filings

Debt Information Green Bonds

Green bonds address a growing need identified by governments and investors to finance initiatives that support economic growth and provide environmental benefit. TD has supported this growing market by issuing a TD Green Bond and by underwriting green bonds for a range of supra-national issuers.

TD Green Bond

In 2014 TD issued the first green bond from a Canadian commercial financial institution. The C\$500 million three-year bond has a maturity date of April 3, 2017. The focus of the investments is on North American projects that contribute to the low carbon economy through:

1. Low carbon energy: 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.

TD is a signatory of the **Green Bond Principles**, which promotes transparency, disclosure, and integrity in the development of the Green Bond market. The alignment of the **TD Green Bond Framework** with the Green Bond Principles is **verified** by an independent expert. Proceeds from the sale of the notes are held in a segregated portfolio until they are allocated to eligible green projects. Ernst & Young provides annual **assurance** on the allocation and reporting of proceeds to eligible projects.

The TD Green Bond funds the financing or refinancing of existing and future projects that meet the TD Green Bond eligibility criteria. Click **here** for examples of specific projects funded by the TD Green Bond and a summary of use of proceeds.

TD Environment will also provide investors with annual updates regarding the use of the proceeds as a supplement to our Corporate Responsibility Report, which will be hosted on the TD Corporate Responsibility website (<http://www.td.com/corporate-responsibility/index.jsp>) and archived under the 'Archived Reports' section of the 'Publications' tab. To learn more about TD and the environment, please visit www.td.com/corporate-responsibility/environment/index.jsp



Ranked 3rd globally among 20 top performers for managing climate change risk, with TD leading all banks



Best Green Bank North America

External Review – Third Party Assurance



E&Y provides assurance of the allocation of proceeds.

Reported in TD's annual Corporate Responsibility Report.

