

Helping new generations learn and grow

Programs like this eco/gardening camp at Allan Gardens Children's Conservatory in Toronto help cultivate an environmentally-friendly culture. For over 50 years the historic greenhouse was a teaching facility for University of Toronto botany students; then it was donated to the City of Toronto in 2002. With funding from TD, it was restored and relocated to Allan Gardens. Now, the gardens' educational director, Victoria Muir (left), gives children free gardening lessons while teaching respect for nature.



Involved with *the environment*

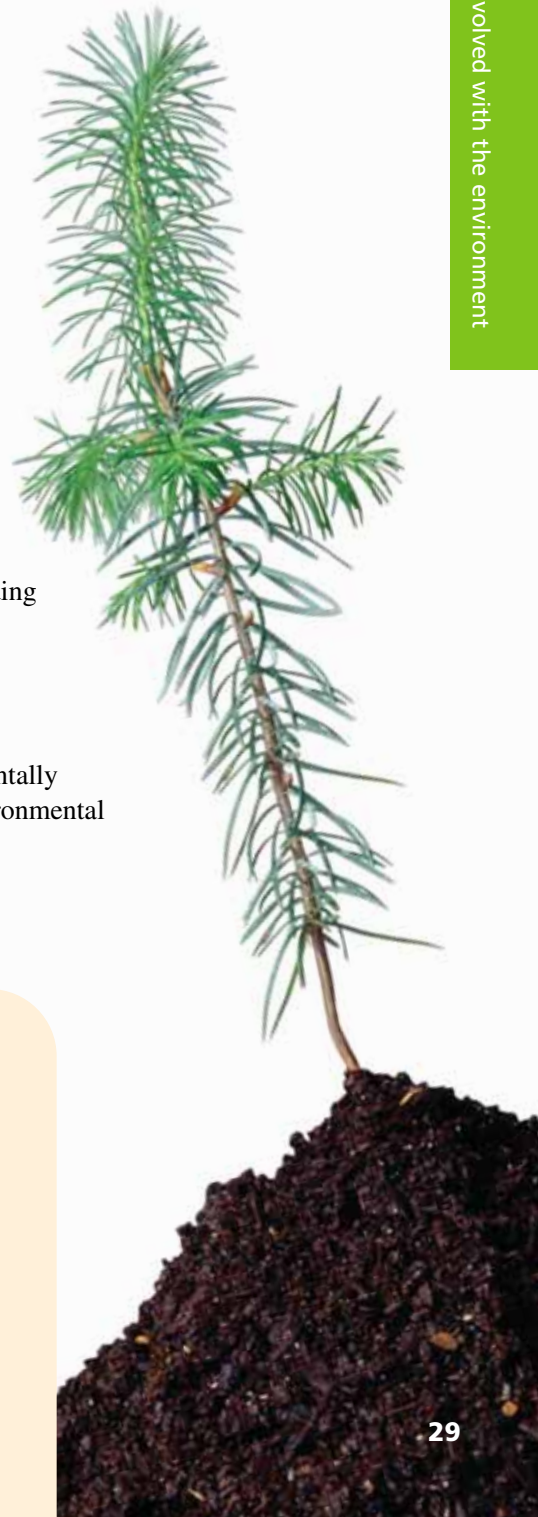
We understand that we have to be proactive and make the right environmental choices that can benefit present and future generations.

Through our daily operational, property management, procurement and outsourcing decisions, we face a variety of considerations and try to make decisions that respect our ecosystem. Through our lending, investing and trust activities, we have always kept environmental due diligence top of mind, including instances when TD assumes control of a borrower's assets. Also, as a charitable donor and employer, we reach out to support community groups focused on environmental causes and encourage positive behaviours and volunteerism among our employees.

In a large organization, it is not easy to ensure that our activities are environmentally sensitive at all times, but we continue to make progress in minimizing our environmental footprint today for a greener future.

2005 Highlights

- **Supported more than 900 community environmental projects through the TD Friends of the Environment Foundation.**
- **Helped make the TD Canada Trust Great Canadian Shoreline Cleanup the most successful conservation effort in Canada's history.**
- **Donated over 1,300 computers, printers and other office equipment for reuse by not-for-profit groups.**
- **Pledged \$500,000 gift to create TD Green Bursary at the University of Ottawa, which will provide financial aid to students in environmental studies.**



Environmental Management at TD

Ongoing accountability for environmental issues is shared among a number of TD departments including Corporate and Retail Real Estate, Government and Community Relations, Corporate Operations, Legal and Risk Management groups. A senior vice president in each of our Risk Management and Corporate and Public Affairs groups share overall responsibility for environmental issues.

An Executive Steering Committee, comprising senior management representatives from several business units, was set up in 2005 to develop an Environmental Management System (EMS) as a next step in our recently formalized Environmental Policy. The EMS will define environmental standards, procedures, responsibilities and compliance mechanisms for TD.

Toward this goal, last year a working committee was also created to prepare an inventory of existing environmental practices within TD to pinpoint strengths and gaps. Work is ongoing, and a formal working plan will be adopted to address any weaknesses and create necessary structures, procedures and resources required for implementing a formal EMS across TD.

Facilities & Energy Management

TD is a major owner and tenant of facilities, and it is in this capacity where we have the largest direct environmental impact, primarily through our consumption of energy. We continue to focus on finding ways to avoid or mitigate environmental impacts.

Currently we do not systematically compile and aggregate for reporting purposes our total use of energy, water or materials across our different businesses. Also, since we are not seen as a direct producer of greenhouse gas (GHG) emissions, at this time, we have neither inventoried our production of GHGs nor estimated the emissions associated with the use and disposal of our products and services, supply chain or other indirect emissions.

Promoting energy efficiency

A glance at some of our efforts:

- In the design and construction of branches, energy-efficient and environmentally friendly solutions are adopted such as T8 lighting, economizer heating/ventilating and air conditioning systems, programmable thermostats and digital lighting control photocells that measure exact exterior light level for accurate illumination.
- We also aim to incorporate energy-efficient practices within our 120 corporately owned and managed properties. During 2005, for instance, at the College Park facility in Toronto, we replaced air-conditioning system chillers with high-efficiency R134 refrigerant, and the four new emergency system generators have Urea scrubbers that dramatically reduce emission of nitrogen oxides.

Responsible facilities and products

We strive to operate and manage our properties in an environmentally responsible manner. TD does not own or rent facilities in environmentally sensitive or biodiversity-rich habitats and we do not consider our principal products and services to produce any major impacts on biodiversity.

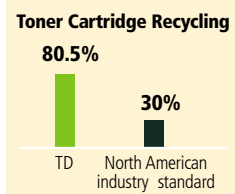
Within the TD Centre complex in downtown Toronto, three of the towers have the Enwave deepwater cooling system, which uses cold Lake Ontario water in air conditioning systems. This has resulted in the removal of five megawatts of electricity demand from the power grid during peak summer months and two to three megawatts during the rest of the year. The landlord is expanding the program to two additional towers in the complex by April 2006.

A designated substance survey of approximately 20% of our retail branches was completed in 2004, and proactive abatement and management programs were implemented in 2005 to support survey findings. More than 145 programs to remediate mould, asbestos-containing material and other designated substances, along with dozens of asbestos-management programs, were instituted to ensure our customers and employees bank and work in a safe environment.

Reducing Waste

We make a concerted effort to reduce our consumption of business supplies and work with suppliers to recycle or reuse these materials:

- TD Canada Trust branches participate in recycling of paper and cardboard wherever municipal recycling programs exist.
- We have a major program in place to recycle printer and photocopier toner cartridges. In the first two quarters of the year, we returned 18,241 printer cartridges to our suppliers, amounting to more than 80.5% of printer cartridges purchased across TD during 2005. This is up 10% from 2004 and far exceeds the typical return rate of 30% for toner cartridges in North America.



London, Ontario, Mayor Anne Marie DeCicco and TD Canada Trust Senior Vice President of Ontario Southwest Region Alexandra Dousmanis-Curtis teamed up to plant one of 150 trees in an environmentally-sensitive area of the city.

TD Environmental Policy

In 2005, the Risk Committee of the Board of Directors formally approved TD's new Environmental Policy. Applying to all our businesses and corporate support functions globally, this policy includes guiding principles that commit TD to:

- Responsibly manage all aspects of our business to promote environmental protection;
- Ensure employees as necessary are aware of and implement the policy and identify ways to improve environmental performance;
- Encourage relationships with suppliers who have procedures in place to manage and comply with environmental laws or risks applicable to their businesses;
- Regularly review and update environmental processes;
- Cooperate with government, the business community and stakeholders in support of responsible environmental management and accountability, and communicate with relevant stakeholders on environmental aspects of our operations;
- Maintain a credit policy to protect against environmental risk;
- Support local, community-based environmental activities, such as the TD Friends of the Environment Foundation;
- Take a responsible approach to energy conservation and managing hazardous products and processes, and encourage conservation by recycling, reduction and re-use initiatives; and
- Take reasonable care to prevent or avoid environmental incidents associated with our operations.

- We participate in confidential paper-shredding programs through which our contracted supplier recycles approximately 95% of shredded paper. During the first 10 months of 2005, an estimated 3,066 metric tons of confidential documents was shredded from all branches and most corporate offices, saving the equivalent of 77,051 trees.
- Our various corporate offices, including company-owned buildings, also participate in recycling programs. For example, the TD Waterhouse premises in the Greater Toronto Area contributed to the recycling of 117.5 metric tons of paper and 14.37 metric tons of cardboard during the first 10 months of fiscal 2005. At TD's Creekside Corporate Centre in Mississauga, Ontario, during fiscal 2005 we contributed approximately 83 metric tons of waste to the recycling program in the complex, exceeding a 61% waste diversion rate.
- During 2005, TD joined Bell Mobility's national cellular phone recycling program through which donated phones are refurbished and distributed to women's shelters across the country.
- Every year TD donates refurbished office equipment for use in the community. In 2005 we donated more than 1,300 computers, monitors and printers to organizations such as Computers for Schools in Calgary, Vancouver and across Ontario.

Responsible Lending Practices

As a major lender to retail, commercial and large corporate clients, we assess relevant environmental impacts and work to mitigate environmental liability that could accrue to TD and our clients. Within Commercial Banking, we incorporate appropriate environmental due diligence as an integral part of the lending process. Bankers conduct site visits with all borrowers, and each account is assigned an environmental risk rating. Based on the environmental risk rating, an environmental questionnaire or assessment may be required.

Similarly, on the wholesale banking side, TD Securities carefully considers a client's environmental policy and track record and conducts in-depth due diligence (including site

visits, environmental questionnaires and Phase I or II reports completed by qualified, accredited professionals) based on the assessed environmental risk rating. Where there are legal issues regarding the applicability of environmental law to the Bank's position, TD Securities will engage outside counsel. We also pay particular attention to each

client's corporate governance practices, assessing the independence, experience and qualifications of the members of the board of directors in light of the board's duty to supervise management decision-making in all areas, including environmental responsibility.

Purchasing Decisions

The quest to lessen our ecological footprint extends to our supplier relationships. We seek environmentally responsible suppliers who meet or exceed government

guidelines or ISO certifications that encompass environmental standards. For example:

- Our paper suppliers and their contracted suppliers are certified under at least one of the three major environmental certification standards relating to the manufacture of paper products, including the Forest Stewardship Council, the Sustainable Forestry Initiative or ISO 14001.
- Our cheque supplier uses vegetable-based inks on recycled paper. Cheque packaging, including kits and shipping boxes, is 100% recycled, with 50–80% being post-consumer materials.
- The majority of marketing materials published on behalf of TD, including brochures and posters, are produced on chlorine-free, recycled paper using high percentages of post-consumer waste paper whenever possible. Only lower-VOC (volatile organic chemical) inks are used, and residue chemicals and manufacturing supplies are reprocessed and recycled, including solvents, cleaning agents, oils and printing plates.

Giving Customers Environmental Choices

TD encourages customers to use paperless banking methods such as pre-authorized bill payments, online transfers, direct deposit programs and telephone and online banking. Customers are increasingly taking advantage of these electronic services:

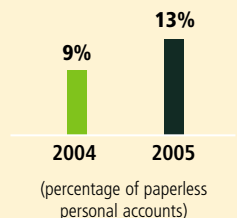
- Only 34% of customers use account passbooks, down by 3% since last year.
- Paperless recordkeeping grew by 54% from 2004 and is now used by more than 13% of all personal account holders.
- Cheque volumes declined by 9.5% over last year.
- Our ABMs let customers decline a transaction printout, reducing paper and waste.

Did you know?

TD is included on the Jantzi Social Index, a stock index of 60 Canadian companies that pass a set of social and environmental screens.



Paperless Recordkeeping by TD Canada Trust Customers



For investors, there are service options allowing them to reduce consumption of printed materials. For example, since 1999 we've offered TD eFunds®, 12 low-cost index funds that enable investors to access their accounts, execute trades and receive communications online. TD Waterhouse was the first Canadian broker to offer online access to self-directed brokerage statements and trade confirmations, and during 2005 we eliminated annual statement mailing to accounts with little transaction activity. As a result, in September 2005 we successfully suppressed printing of 448,223 client statements, achieving considerable paper savings.

Partnering With Others

TD works closely with members of the financial sector, government and others to help address domestic and international environmental issues. During 2005, for example:

- We renewed our membership commitment to the United Nations Environment Programme Finance Initiative (UNEP FI). TD is a long-time signatory of the Statement by Financial Institutions on the Environment & Sustainable Development, and during 2005 we contributed data to the UNEP FI study, *Global Climate Change: Risk to Bank Loans*. TD also participated at UNEP FI's October 2005 annual meeting of members.
- TD participated in the Carbon Disclosure Project (CDP), an initiative by global institutional investors to report on corporate responsibility issues including business implications of climate change. Along with many FT500 companies, we contributed data to the annual CDP report on environmental emission levels of international corporations.
- TD officials with responsibility for environmental issues met with representatives of special interest groups with expertise in ethical investing, endangered forest management and climate change. These constructive dialogues allow us to better understand these issues and will help shape the direction of future environmental practices developed by TD.

Supporting Community-Based Projects

TD's commitment to the environment is highlighted by the TD Friends of the Environment Foundation (FEF), created over 15 years ago to provide funding to community groups who help the environment.

Our stakeholders have told us the environment matters to them and that



companies like ours can make a difference by supporting community efforts to improve the environment.

We responded with FEF. More than 15,000 grassroots environmental projects throughout Canada have received \$37.4 million in support from FEF since 1990.

FEF is a unique model of business-community partnership involving employees, customers and TD. We work together to donate funds and time to not-for-profit groups that:

- 1 Protect and preserve our natural surroundings for both present and future generations to enjoy;
- 2 Assist children in understanding and participating in environmental activities in their community; and
- 3 Conduct environmental research and promote environmental cooperation.

The Ottawa Chapter of FEF received the Eco Stewardship Award for outstanding leadership in supporting environmental initiatives. At the 2005 Ottawa Wildlife Festival to foster awareness of endangered species, TD's Jane Flain (left) and Jennifer Johnson got close and personal with the endangered black ratsnake.



FEF channels money to hundreds of community environmental projects each year, including the following in 2005:

Protecting the Canadian environment

- **Wildlife rehabilitation:** Facilities like the Saskatchewan Burrowing Owl Interpretive Centre in Moose Jaw and the Critter Care Wildlife Society in Langley, British Columbia, provide ongoing care for sick and injured wildlife.
- **Restoration efforts:** To assist the Central Okanagan community in recovering from the severe 2003 forest fires, FEF and radio station Sun FM in British Columbia partnered to support the Okanagan Re-Leaf project. It's a two-year restoration effort that included seedling plantings in burnt-out areas and pest control of newly planted areas. FEF also allocated funds to a naturalization project of a previously farmed area in Markham, Ontario, which is being established as a complex of wetland, forests and meadows to provide food and cover for wildlife.

Environmental education

- **Learning about biodiversity:** Teachers and students across Newfoundland and Labrador received educational material on biodiversity, including information about native plants, animal species and the 35 distinct eco-regions and sub-regions of the province.
- **Kids in Bloom camp program:** Challenging the young to learn about recycling, composting, urban forestry and erosion is the objective of this day camp in Brandon, Manitoba. Children experience a wide range of activities while exploring the natural wonders of the environment.

- **Birds at risk:** As part of a public education program, the Union Québécoise de Réhabilitation in Montreal, Quebec, created and distributed a brochure furthering awareness of 27 Quebec birds of prey, five of which are identified as endangered.

FEF Facts 2005

Total granted to community environmental projects	\$2.6 million
Total contributed by TD	\$1 million + administrative expenses
# of local environmental projects supported	900+
# of customers and employees who donated through TD Canada Trust's Automated Monthly Donation program	134,000
# of FEF chapters across Canada that review and recommend local projects for funding	115
# of customers and employees who volunteered for FEF chapters as advisory board members	1,500

Environmental research

- **Canadian Lakes Loon Survey:** This long-term, volunteer-based project, initiated by Bird Studies Canada, is designed to monitor the breeding success of loons across Canada, with data serving as an indicator of the health of freshwater lakes.
- **Water quality and monitoring project:** Fresh water in the Winnipeg, Manitoba, area is undergoing water analysis and assessments on an ongoing basis as part of a Grant Park High School environmental research program.

More info: fef.ca

A greener future for students – and the environment

University of Ottawa students enrolled in studies with an environmental focus will get a financial boost starting in 2007. The TD Green Bursary, established with a \$500,000 commitment from TD, will provide a minimum of \$1,000 per student and a maximum of 50% of a student's tuition.



Cleaning Canada's Shorelines

TD helps realize award-winning conservation effort

A record-breaking 36,000+ volunteers across the country got their hands dirty for the environment during the **TD Canada Trust Great Canadian Shoreline Cleanup**. The successful week-long event, held September 10–18, 2005, had volunteers at 813 sites clean an amazing 1,477 km of shoreline along oceans, lakes, rivers and wetlands, removing garbage and other items that threaten wildlife and compromise our natural surroundings.

The huge collective effort amassed 86,201 kg of garbage, made headlines throughout the nation and was recognized with the prestigious Thomas R. Baines award, presented by the Canadian Association of Zoos and Aquariums to one outstanding environmental project each year.

More than 1,000 TD employees and friends rolled up their sleeves for the cause. Through **FEF**, TD has been a proud sponsor of the event since it began 12 years ago with two dozen people on a beach in downtown Vancouver. Created by the Vancouver Aquarium, within a few years the cleanup initiative expanded across Canada with the vision and support of FEF. Last year, TD's first as title sponsor, we prevailed in making it the largest marine conservation initiative in Canada's history – and the second biggest national event of its kind in the world.



100 TD volunteers searched the shoreline of the Bow River in Calgary, Alberta, collecting such treasures as an old Vespa scooter.



At the Thetis Lake cleanup in Victoria, B.C., TD branch managers and avid divers Bob Yarish and Tom Beales hold a mesh diving bag full of cans they hauled up from the bottom of the lake. Nearly 200 employees from more than 10 branches took part in cleanup events across the province.



In London, Ontario, roughly 400 TD volunteers, including Ian Anderson (left) and his family shown here at the Thames River site, took part in cleanups at eight different locations, collecting more than 6,000 pounds of garbage.



Jaycee Beach in Yorkton, Saskatchewan, which is part of the TD Friends of the Environment Trail, is cleaner thanks to employees, their families and members of the local FEF chapter. Garbage collected ranged from broken glass to cigarette butts.