Principles for Sustainable Insurance – Annual Disclosure 2015

In 2014, TD Insurance (TDI) became the second Canadian-based signatory to the United Nations Environment Program Finance Initiative’s Principles for Sustainable Insurance (UNEP FI-PSI). UNEP FI-PSI serves as the global framework for insurance companies to better manage environmental, social and governance risks (as well as opportunities) in their core business strategies and operations. This document outlines the actions TDI has taken to demonstrate its progress in implementing the Principles for Sustainable Insurance. TDI also participates in TD’s broader environmental strategy and initiatives, many of which directly support TD’s commitment to the UNEP-FI PSI. See TD’s 2015 Corporate Responsibility Report for the full range of environmental initiatives.

Principle 1: We will embed in our decision-making environmental, social and governance issues relevant to our insurance business.

<table>
<thead>
<tr>
<th>Company strategy</th>
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<tbody>
<tr>
<td>In 2015, TDI continued to build its understanding of the potential impact of a changing climate on our insurance business and identify opportunities for enhancing risk management, underwriting practices and customer protection.</td>
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<tr>
<th>Underwriting</th>
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<tr>
<td>TDI’s underwriting criteria includes:</td>
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<tr>
<td>• A requirement for customers to install sewer back-up valves following a claim in order to continue coverage</td>
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<td>• Strict criteria for oil tanks</td>
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<tr>
<th>Product and service development &amp; claims management</th>
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<tr>
<td>Hybrid and electric vehicles</td>
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<td>Solar panel insurance</td>
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<tr>
<td>GreenBuild Pilot</td>
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<td>GreenCheck Pilot</td>
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<tr>
<td>Mobile Response Units</td>
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<td>My Insurance self-service tool</td>
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<th>Sales and marketing</th>
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<td>TDI has implemented several advice initiatives on water damage prevention and earthquake coverage awareness.</td>
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<tr>
<th>Employee Engagement</th>
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<td>TDI has embedded a strong culture of engagement among employees on environmental issues. For instance, many engagement and behavior change initiatives have been led by Green Teams, including recycling and paper reduction initiatives. Additionally, TDI engages with employees on environmental issues through Connections (an internal web-based employee engagement tool) by posting environmentally relevant content and launching interactive campaigns. In 2015, TDI employees participated in a campaign challenging employees to commit to daily environmental acts.</td>
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Principle 2: We will work together with our clients and business partners to raise awareness of environmental, social and governance issues, manage risk and develop solutions.

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<tr>
<th>Client, community and supplier initiatives</th>
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<tbody>
<tr>
<td>Claims advice line</td>
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<td>Revitalization of High River Park, Alberta</td>
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<tr>
<td>Responsible Procurement</td>
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Principle 3: We will work together with governments, regulators and other key stakeholders to promote widespread action across society on environmental, social and governance (ESG) issues.

TDI is engaged in the following government and industry initiatives to promote action on ESG issue:
- Member of Alberta Energy Regulation (AER)
- Participation in industry associations such as the Insurance Bureau of Canada Climate Change and Institute for Catastrophic Loss Reduction

Principle 4: We will demonstrate accountability and transparency in regularly disclosing publicly our progress in implementing the Principles.

TD discloses information related to its implementation of the Principles for Sustainable Insurance through the following channels:
- Annual Corporate Responsibility Report
- Annual CDP (formerly known as the Carbon Disclosure Project) response