



Enriching the lives of our customers,
communities and colleagues.

About This Report

Reporting Scope

This report presents the material issues and impacts of our activities during the fiscal year ending October 31, 2016. Reports from previous years are available online: www.td.com/responsibility

The scope of this report encompasses all of TD's wholly owned operations and activities, which are organized around the following operating business segments: Canadian Retail, U.S. Retail and Wholesale Banking.

Throughout this report, "TD" or the "bank" refers to TD Bank Group. "TD Bank" refers to TD Bank, America's Most Convenient Bank®. All currency is in Canadian dollars unless otherwise noted. All restatements and significant changes from the previous report are described in the performance data footnotes.

Reporting Frameworks

TD has used the Global Reporting Initiative (GRI) framework for corporate responsibility reporting since 2007. TD's 2016 Corporate Responsibility Report is written in accordance with the G4 framework and fulfils the requirements for a Core report. In addition to GRI, we continue to monitor international reporting trends, including the work of the Sustainability Accounting Standards Board (SASB).

+ Aspect Boundary Table

+ Online GRI Index







External assurance reports

Selected performance indicators were independently assured by Ernst & Young LLP. Ernst & Young performed a limited assurance engagement for a selection of TD's social and environmental performance indicators, including TD's greenhouse-gas emissions and Carbon Neutral Schedule.

+ Assurance Statement for the 2016 Corporate Responsibility Metrics, Greenhouse Gas Emissions and Carbon Neutral Schedule

+ Assurance Statement for the 2016 Green Bond Schedule

Symbol Key

-  Table of contents
-  Supporting content (external links)
-  Navigate to a different section
-  Facts and figures for which Ernst & Young LLP provided limited level of assurance
-  Indicates a GRI disclosure. Click to view the full GRI Index online.
-  Analyst Corner: Links to additional policies and references.

Ways to Reach Us

With teams across TD dedicated to maintaining relationships, we interact with several stakeholder groups on a daily and/or weekly basis, responding to the issues and concerns brought to our attention. If you would like to contact TD with feedback, here are a few ways to reach us:

Customers: customer.service@td.com

Shareholders: tdshinfo@td.com

Investors: tdir@td.com

Suppliers: tdsource@td.com

Community groups: td.communitygiving@td.com

Feedback on this report: crreport@td.com

On Twitter: @TD_Canada or @TDBank_US

By text: TDHELP (834357)

Table of Contents

Introduction	1	Responsible Banking	10	Workplace	20
CEO's Message	1	Customer Experience	11	Employee Engagement	21
The Value We Bring	2	Product and Service Responsibility	14	Inclusion and Diversity	25
Feature Stories		Financial Access and Inclusion	16	Health and Well-Being	29
TD Rallies for Fort McMurray	3	Financial Education	18		
Enriching Lives Through Inclusion	4				
How We Listen to Stakeholders	5				
Our Material Topics	6				
Corporate Responsibility at TD	8				
Scorecard and Goals	9				
Environment	32	Community	46	Governance	55
Climate Change	34	Strategic Philanthropy	47	Corporate Governance and Integrity	56
Responsible Finance	37	Community Capacity Building	50	Risk Management	58
Responsible Investing	39	Economic Value	52	Data Security and Privacy	59
Eco-Efficiency	42				
				Approach to Reporting	60

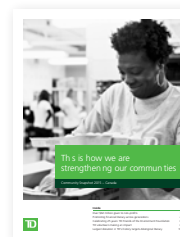
This publication is part of our reporting suite. For more information about TD and our activities, please read our other reports:



Annual Report



Proxy Circular



Community Snapshot



Appendix: ESG Performance

1.1 Group President and CEO's Message

G4-1



BHARAT MASRANI
Group President and
Chief Executive Officer

Enriching lives

This year, we launched the new TD Framework, which acts to guide our behaviour, shape TD's culture and drive our performance. Its development generated much reflection and frank discussion among my leadership team about TD's purpose – *to enrich the lives of our customers, communities and colleagues* – as well as the shared commitments that enable us to deliver on that purpose.

Customers, communities, colleagues

It's vital that we listen to our customers and make it easier for them to bank with us. We are simplifying the way we do things and empowering our people – all with the aim to be more responsive and more relevant in what we offer. TD MySpend is a great example. It easily tracks the spending habits of customers in real time, empowering them to make better-informed decisions about their financial well-being. Close to 1,000,000 Canadians have signed up for this service since its launch last spring.

We are helping to support the transition to the lower-carbon economy. To date, TD's financing of the low-carbon sector totals \$10.8 billion since 2006. As a recognized leader in green bond financing, last year alone, TD Securities participated in the underwriting of \$5.4 billion in green bonds. And we continue to grow our business in green products, such as insurance discounts for hybrid vehicles, to enable customers to reduce their own environmental impact.

We are only as successful as the communities we serve. Helping them thrive is a business imperative for us. In 2016, TD invested over \$102 million into programs that make our communities stronger and more vibrant. We also continue to prioritize our work in financial education to make a meaningful impact, with over 440,000 people across North America participating in a TD-sponsored financial education program in 2016.

Our efforts took on special meaning in Fort McMurray, Alberta, last year, with the quick deployment of insurance claims advisors, mobile banking units and emergency supplies and with raising funds through benefit concerts – all to help Fort McMurray residents rebuild their lives and restore their community.

TD works hard to create a workplace where our 86,000 colleagues can be their best and do their best. We do this, in large part, by creating an inclusive environment where meaningful work and growth opportunities abound. We pay special attention to the next generation of leaders. We offer wide-ranging programs – from internships to mentorships – that help recent graduates gain the experience and, in turn, the momentum to succeed. We are proud to stand out as an employer of choice on both sides of the border.

We know our great brand comes with great expectations and that our actions impact the lives and livelihoods of those we serve. We are here to listen to our customers, to help them achieve their financial goals and feel more confident about their future. We ensure our communities are strong and vibrant and provide our colleagues with meaningful opportunities to grow and develop.

We will stay true to our purpose and the promises we make to bring it to life.

Sincerely,

Bharat Masrani
Group President and Chief Executive Officer

The TD Framework

Enriching the lives of our customers, communities and colleagues, speaks to the purpose that underpins what we do each and every day. It is part of the new TD Framework, which guides our behaviour, shapes our culture and drives our performance.

Our shared commitments

Think like a customer; provide legendary experiences and trusted advice

Act like an owner; lead with integrity to drive business results and contribute to communities

Execute with speed and impact; only take risks we can understand and manage

Innovate with purpose; simplify the way we work

Develop our colleagues; embrace diversity and respect one another



1.2 The Value We Bring

G4 8

We are 86,000+ employees

Every day, TD touches the lives of millions of people throughout our value chain who rely on us to perform seamless and accurate transactions on their behalf.

25m+

Customers served around the globe.

2,400+

Retail locations across North America.

5,100+

ATMs

24/7

phone/online

11m+

digital customers

Banking and Advice for Business

We provide access to credit to help generate economic growth.

Banking and Advice for People

We help our customers enrich their lives by making better decisions about their money.

Value Created

Value Distributed

Value reinvested for future growth

Building a Better Bank

EMPLOYEES

\$9.3 billion
in salaries/benefits

SUPPLIERS

\$6+ billion
in procurement

SHAREHOLDERS

\$3.8 billion
in cash dividends

TAXES

\$3.5 billion
corporate and property

COMMUNITIES

\$102+ million
in donations and over 127,000
hours volunteering

1.3 TD Rallies for Fort McMurray

What started as a regular day in a remote community, north of Edmonton, ended with dramatic images of cars and trucks evacuating a town engulfed in flames. These images made headline news around the world, as the 80,000 residents of Fort McMurray packed a few items and left, some with just a few minutes warning. For TD, it was a call to action, to help and support the community, our customers and the 30 TD employees who call Fort McMurray home.

On-the-ground assistance

Recognizing that Fort McMurray residents were stranded often with only the clothes on their backs and a half tank of gas, we dispatched the TD Mobile Branch, outfitted with an ATM, to provide easy access to cash at evacuee reception centres in Lac La Biche, Edmonton and Calgary. We activated the Fort McMurray TD Helps program, enabling affected customers to defer loan or mortgage payments and receive relief on fees or access flexible credit options.

TD Insurance rapidly deployed Mobile Response Units across the region to provide immediate support to more than 3,000 customers. Employees were on-hand to answer urgent questions about finances and claim procedures. We also staffed up our insurance claims operations team with 500 employees ready to handle more than 4,000 calls from impacted customers on a 24/7 basis. These actions enabled TD to quickly disburse millions of dollars in temporary living expenses to secure temporary accommodation for those left homeless.

Across the organization, we stepped up to do the right thing for our customers. At the top of the house, TD executives responded immediately to oversee emergency support and quickly reviewed how our policies respond to an event like this, regardless of the size of the specific claims, such as immediate distribution of funds to support the early costs of the evacuation. On the ground, regional TD employees united to form the 'TD Comfort Crew', with volunteers driving vans to distribute water, food, clothing, toiletries and other essentials to evacuees at 10 TD branches and four emergency shelters.



[View Zack's story](#)

Mobilizing aid for rebuilding

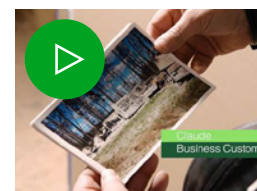
Generating aid for the relief efforts, TD donated \$240,000 to the Canadian Red Cross. The generosity of TD employees and customers played a significant role in raising \$6 million in donations through our branch and business networks.

TD was the lead sponsor of four benefit concerts in Atlantic Canada and provided \$500,000 to support a musical fundraiser in Edmonton, Fire Aid for Fort McMurray. More than 30,000 people filled Edmonton's Commonwealth Stadium to enjoy Canadian music and express gratitude for the actions of first responders and volunteers. By raising more than \$2 million for residents of Fort McMurray and Wood Buffalo, and with TD paying the admission tickets for 1,000 first responders, this concert showcased public solidarity for the daunting rebuilding effort that lay ahead.

"TD will continue to rally behind this community, and we want Fort McMurray to know that we're in this together and we're in it for the long haul."

BRIAN GERVAIS, TD'S SENIOR VICE-PRESIDENT OF COMMUNITY BANKING IN THE PRAIRIE REGION

Fort McMurray resident Zack Bennett lost his home to the fire on that fateful day in May. Zack reflects on his experience while moving furniture into his new home.



[View Claude's story](#)

1.3 Enriching Lives Through Inclusion



Cindy Robinson, a telephone-banking specialist at TD, is among the employees who benefit from accommodation assessments. She uses magnification software, specialized telecommunication equipment that empower her to quickly and efficiently answer customer inquiries.

Ten years ago, we pioneered an Assistive Technologies program to provide technology tools and support to customers and employees with disabilities. TD is the only bank in Canada that has established dedicated labs to consistently research, develop and test assistive technologies.

Culture shift: Rethinking disability

The way we treat our colleagues and customers can make a big impact, and we're moving beyond just accommodation to apply a number of inclusion best practices that help us build a deeper emotional connection with people with disabilities. "It's about embracing differences, not just accommodating," explains Paul Clark, Chair of TD's Persons with Disabilities Committee and President of TD Direct Investing.

We are working to make TD truly inclusive by:

- Building allies through education
- Placing greater accountability on our business leaders
- Providing additional training
- Embracing 'invisible' disabilities
- Helping people feel comfortable in disclosing their disability
- Extending our efforts via philanthropy

People with disabilities face many challenges in our world, including an unemployment rate nearly double that of people without disabilities.¹ But TD is working hard to open the doors of opportunity in our workplace, in the ways we serve customers and by creating greater accessibility in our communities.

Improving the workplace and marketplace

Our efforts have been recognized by the American Association of People with Disabilities (AAPD). For two consecutive years now, the AAPD has singled out TD for having progressive practices around disability inclusion, giving us a score of 100% on their Disability Equality Index (DEI). This is a point of pride since only 75 North American companies were included on the index.

We are making progress in terms of hires and retention, thanks in part to strategic partnerships with employment outreach organizations such as Lime Connect Canada and our involvement in Going for the Gold, an initiative of the U.S. Business Leadership Network to encourage and facilitate hiring people with disabilities.

While we've improved our ability to open the doors of opportunity for people with disabilities, it's a continuing effort to dispel myths, value differences and remove barriers. And to guide us, we will use the insights and ideas of our new stakeholder panel of customers and employees with a wide variety of disabilities. Their input will inform our products and services offering and help ensure that future developments will continue to increase inclusion and enrich lives.

More in this report:

- ▶ Financial Access and Inclusion
- ▶ Workplace Inclusion and Diversity

¹ <http://www.diversityjournal.com/9413-fact-or-fiction/>, <http://www.diversityjournal.com/9404-recognizing-ability-in-disability/>

1.4 How We Listen to Stakeholders

G4-27

There are many environmental, social and governance issues that demand our attention. We give more importance to those risks or opportunities that directly relate to TD's core business, are stated priorities for our stakeholders and are areas where we can effect change.

We understand the importance of not only listening to stakeholders, but using that feedback to take action and improve.

Stakeholder Group	Ways We Interact	Key Topics in 2016
Customers	<ul style="list-style-type: none"> Solicit feedback by phone and online Formal process for handling complaints TD Ombudsman Consumer associations Social media team 	<ul style="list-style-type: none"> Fee changes Processing delays Credit decisions Access to banking Financial education
Employees	<ul style="list-style-type: none"> Employee surveys, focus groups and HR meetings Executive leadership visits Intranet comment engine and online communities (Connections) Employee Ombudsman (Between Us) Employee Assistance Program Whistleblower Hotline 	<ul style="list-style-type: none"> Improving work processes Career development Diversity and inclusion in the workplace Increased emphasis on employee wellness Sales practices (early 2017)
Shareholders and Investors	<ul style="list-style-type: none"> Annual meeting and quarterly earnings calls Shareholder proposals Shareholder Relations team Regular meetings with investors Investor Relations website Industry conferences 	<ul style="list-style-type: none"> Oil and gas exposure and the indirect financial impacts Interest rates Regulatory environment as it relates to capital levels and liquidity Approach to competition from non-traditional players in the banking sector
Government	<ul style="list-style-type: none"> Government Relations teams for Canada and the U.S. Ongoing dialogue with regulators and policy-makers 	<ul style="list-style-type: none"> Progress on implementing regulations such as the Dodd-Frank Act, Foreign Account Tax Compliance Act, etc. Evolving credit card and payments landscape Working to create greater financial literacy, to empower citizens
Suppliers	<ul style="list-style-type: none"> Website for prospective suppliers Email responses to supplier questions 	<ul style="list-style-type: none"> Increased regulatory scrutiny over third-party relationships Increasing accessibility for diverse suppliers
Industry Associations	<ul style="list-style-type: none"> Industry association memberships Memberships with various multi-stakeholder groups Participation in financial centre bodies 	<ul style="list-style-type: none"> Meeting needs of customers and evolving customer expectations Coordination among authorities for more workable regulation Oversight of unregulated and under-regulated financial institutions
Communities	<ul style="list-style-type: none"> Community Relations teams in Canada, U.S. and U.K. Ongoing dialogue with community organizations Volunteering network TD Friends of the Environment Foundation local chapters 	<ul style="list-style-type: none"> Financial education LGBTQ rights Indigenous communities Opportunities for young people Natural capital Canada 150 Disaster support
Non-Governmental Organizations	<ul style="list-style-type: none"> Meetings, phone calls, face-to-face consultation Funding research projects Conferences and forums Over 250 engagements on environmental topics 	<ul style="list-style-type: none"> Environment and climate change Low-carbon economy Financing of fossil fuel energy developments Sustainable investing Livable cities and urban green space Free prior and informed consent Natural capital Critical habitat conservation



Analyst Corner

List of Environmental Stakeholder Groups and Discussion Topics

List of External Voluntary Commitments

List of Memberships and Affiliations

2016 Public Policy and Political Contributions

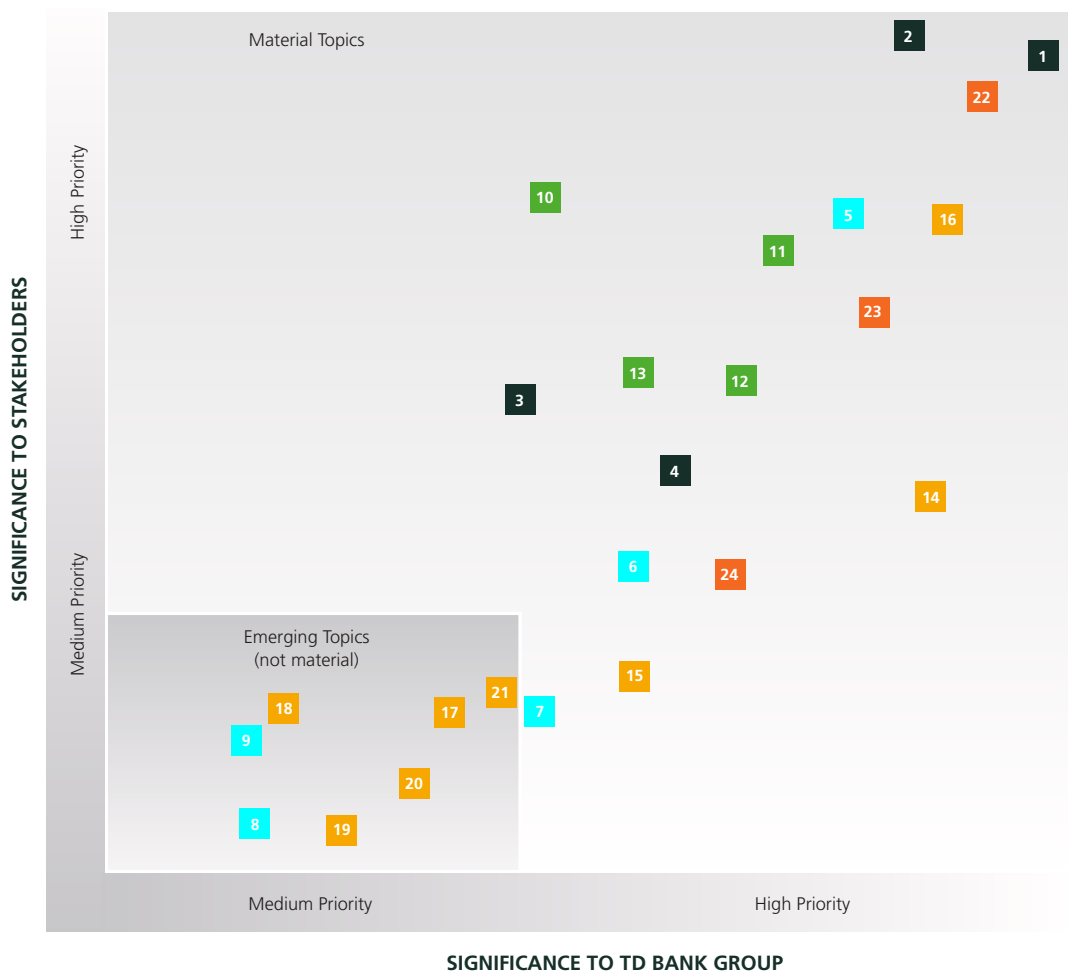
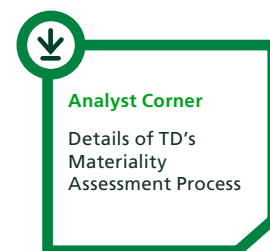
1.5 Our Material Topics

G4-2 G4-18 G4-20 G4 21

In 2016, we refreshed our materiality assessment to update and prioritize the topics that shape TD's corporate responsibility reporting. Our process involved research and benchmarking, impact mapping, stakeholder interviews and a validation workshop to discuss the assessment findings.

TD's materiality process was facilitated by an independent third party, BrownFlynn. Through a series of interviews, internal and external stakeholders were asked to rank the importance of various corporate responsibility topics by the level of risk, opportunity and impact for TD.

The matrix below reflects our understanding of the importance of each topic to our stakeholders and to our business. The top material topics have been grouped into five themes that drive the content, structure and scope of our reporting.



Responsible Banking

- 1 Customer Experience
- 2 Product and Service Responsibility
- 3 Financial Access and Inclusion
- 4 Financial Education

Workplace

- 5 Employee Engagement
- 6 Inclusion and Diversity
- 7 Health and Well-Being
- 8 Human Rights
- 9 Employee Relations

Environment

- 10 Climate Change
- 11 Responsible Financing
- 12 Responsible Investing
- 13 Eco-Efficiency

Community

- 14 Strategic Philanthropy
- 15 Community Capacity Building
- 16 Economic Value
- 17 Affordable Housing
- 18 Indigenous Peoples
- 19 Sourcing
- 20 Tax
- 21 Volunteerism

Governance

- 22 Corporate Governance and Integrity
- 23 Risk Management
- 24 Data Security and Privacy

▲ ▼ ○ Trend History: Showing how topics have increased, decreased or remained stable in relevance compared to TD's last materiality analysis in 2014.

★ New topic in 2016.

The topics emerging on the bottom left corner of the matrix are addressed as sub-topics in this report.

In the interviews, stakeholders were asked to rank the importance of various corporate responsibility topics by the level of risk, opportunity and impact for TD.

What We Heard

01 Climate change will alter the financial services industry

Climate change has the potential to challenge the development of accurate risk models, disrupt mortgage payments due to severe weather, reduce lending volumes due to lower levels of economic activity, stranded carbon assets and increase the rate of insurance claims. Stakeholders expect the importance of environmental, social, governance (ESG) criteria in financing to grow, so how TD demonstrates its commitment to both the Equator Principles and the United Nations Principles for Responsible Investing will shape investor decision making and public opinion.

ACADEMIA

"The risks associated with climate change could be quite strong as banks are closely tied to the economy through financing. Banks should be prepared for carbon taxes and other changes."

INVESTOR

"There is an opportunity to help society transition to the low-carbon economy through TD's retail and wholesale offerings. This should be more of a focus."

▶ See Climate Change on page 34

02 Business transformation will help TD stay ahead of the Fintech disruption

With more non-traditional players offering financial products and services, participants agreed that TD's current focus on business transformation and digital innovation is a necessary strategic move. Linked to this is the need to retain employees with the technical skills required for future innovation.

ADVOCACY GROUP

"We're seeing major shifts in the Canadian labour market, and it's increasingly important for TD to attract and retain top employees."

- ▶ See Customer Experience on page 11
- ▶ See Employee Engagement on page 21

03 Integrating sustainability into the core business strategy is a vital part of future-proofing business

TD's culture of strong corporate governance and ethics was seen as a strength by stakeholders. They believe TD has taken a systemic approach to sustainability, as evidenced by accountability at the board level, the presence of cross-functional, sustainability-oriented steering committee and roles focused on sustainability management. This puts TD in a strong position to further integrate sustainability into the core of the company's business strategy.

SUPPLIER

"If a financial institution sets a goal and fails, but had great transparency in its approach, that to me, is greater leadership."

- ▶ See page 8 to learn more about TD's corporate responsibility approach.

1.6 Corporate Responsibility at TD

Corporate responsibility is a key part of TD's strategy and is managed within a governance structure that balances broad engagement across the organization while also providing line-of-sight accountability.

Corporate Responsibility Governance Structure

The Corporate Governance Committee:

- Oversees TD's corporate responsibility strategy and performance.
- Stays informed about international trends and best practices in corporate disclosure of non-financial performance.
- Includes board-level competency on sustainability topics.

Executive Leadership:

- Bharat Masrani has primary responsibility for ensuring TD acts as an exemplary corporate citizen.
- Colleen Johnston, a member of TD's Senior Executive Team reporting to the CEO, leads the direction of TD's corporate responsibility strategy and reporting.

Corporate Citizenship Council:

- Represents business group heads from Canadian and U.S. Retail, Wholesale, Compliance, Human Resources, Legal, Marketing and Corporate Communications.
- Discusses corporate responsibility topics and provides guidance on TD's strategy, current performance and future direction.
- Stays informed on emerging environmental and social issues and the impact on stakeholders.

The Corporate Responsibility Steering Committee:

- Operates at the vice-president level and includes many functions across TD.
- Directs the ongoing development of TD's corporate responsibility strategy and program improvements.
- Chaired by the Vice President of Community Relations.

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



1.7 Scorecard and Goals

G4-2

This table summarizes the key performance indicators that help us track our progress compared to our corporate responsibility objectives. All data represents the fiscal year ending October 31, 2016.

Objective		2015 Results	2016 Results (target in brackets)	2017 Target
Responsible Banking				
Deliver legendary customer service	Legendary Experience Index – TD Composite Score	46.4%	45.3% (46.5%)	43.8% ¹
Create value in the real economy	Distributed economic value ²	\$19,883	\$21,586	–
Increase financial literacy	Questions answered through TD Helps	72,651	49,450³	–
	Number of participants in a TD-sponsored financial education program	247,900	441,000 (250,000)	500,000
Build an Extraordinary Workplace				
Provide a great place to work	Increase Employee Engagement Index	81%	81% (increase year over year)	82%
	Reduce average global turnover	21.34%	20.08% (reduce year over year)	Reduce year over year
Be diverse and inclusive to reflect the communities we serve	Women on Board	36%	36%	At least 30% of independent directors
	Women in leadership ⁴ (% in Canada)	35.7%	37.3%	40% by 2020
	Minorities in leadership ⁴ (% in Canada)	12.7%	14.7%	–
	People with disabilities (% in Canada)	5.9%	5.9%	–
	Aboriginal Peoples (% in Canada)	1.3%	1.3%	–
Be an Environmental Leader				
Embed the environment into our financing decisions	Transactions reviewed according to TD's Environmental & Social Credit Risk Management process, which includes the Equator Principles	100%	100% (100%)	100%
Reduce our environmental footprint	Be carbon-neutral	Yes	Yes	Be carbon neutral
	Reduce paper use (relative to 2010 baseline)	16.4% reduction	35% reduction (40% by 2020)	40% reduction by 2020 vs. 2010 baseline
Strengthen Our Communities				
Give financial support to create change	Total donations (millions)	\$92.5	\$102.8	At or above 1% Imagine Canada target
Encourage volunteerism in our communities	Hours volunteered by TD employees	118,971	127,888 (increase year over year)	Increase year over year
Influence suppliers to use responsible practices	Number of suppliers assessed for responsible practices	211	276	–

¹ In 2017 the calculation for the TD Bank Group composite score was modified to account for the TD Canada Trust Branch Banking weight change and TD Canada Trust Business Banking inclusion. Results in 2017 will not be comparable and the target reflects this adjustment.

² Economic value distributed as defined by the Global Reporting Initiative. Please see page 52 for more details.

³ In 2016 we saw a decline in the number of customers accessing the TD Helps web page. Customer contact preferences have migrated to social media channels including messaging and chat boxes. We are currently developing alternative metrics to capture TD's efforts to increase financial education for our customers.

⁴ Senior Management includes TD job levels Vice President and above who have signing authority.

2.0

Responsible Banking

"Think like a customer" is central to everything we do at TD. We aim to deliver legendary customer experiences and trusted advice, while providing our products and services responsibly, safely and seamlessly – whether online, in our branches and stores or in our contact centres.

Material topics in this chapter:

Customer Experience

Product and Service
Responsibility

Financial Access and Inclusion

Financial Education

Highlights

#1 in Customer Service Excellence

TD Canada Trust retained the #1 spot in "Customer Service Excellence" among the Big 5 Canadian banks for the 12th consecutive year according to Ipsos.¹

#1 in Canadian Mobile Banking

TD ranked first in Canadian mobile banking with the highest number of unique mobile visitors according to comScore.²

2,400+

Retail locations in North America and 4,926 ATMs.³

200+

Languages in which TD provides customer service to meet diverse needs.

¹ TD Canada Trust achieved leadership in banking excellence in the following channels in the 2016 Ipsos Best Banking Awards: Automated Teller Machine, Online and Mobile. Leadership is defined as either a statistically significant lead over the other Big 5 Canadian banks (at a 95% confidence interval) or a statistically equal tie with one or more of the Big 5 Canadian banks. Ipsos 2016 Best Banking Awards are based on ongoing quarterly Customer Service Index (CSI) survey results. Sample size for the total 2016 CSI program year ended with the August 2016 survey wave was 47,305 completed surveys yielding 67,678 financial institution ratings nationally.

² comScore reporting current as of August 30, 2016. TD had the highest number of unique mobile visitors accessing financial services over the past three months, over the full year to date and over the third quarter of 2016.

³ As of October 31, 2016. Total ATMs excludes mobile and TD-branded ATMs.

2.1 Customer Experience

Why It's Material to TD

To foster ongoing personal and proactive interactions, we need to deliver exceptional experiences across multiple platforms. Technology is rapidly changing the way our customers bank, as more people switch to mobile every day, and customer expectations about service, convenience and speed continue to rise.

Analyst Corner

To Our Customers

Codes of Conduct and Public Commitments

TD Ombudsman Annual Report

Problem Resolution Process

Management Approach

Legendary customer service is at the heart of TD's business strategy and a central part of our brand promise to customers. We are making significant investments to enhance the customer experience, to ensure we're there for our customers when, where and how they need us. We continue to build customer-centricity across the organization:

- Through regular research and monitoring of customer interactions with TD, we seek feedback through multiple channels to understand customer needs and then use these insights to drive performance improvements.
- We look for opportunities to make banking simple, fast and easy for our customers and strive to create a seamless experience whether customers are visiting a branch or using a tablet, phone, computer or wearable device.
- We aim to provide personal, proactive and timely resolutions when customers contact us with a problem or a question.
- To meet the evolving needs of today's digital customers, we are harnessing digital technology and partnerships to create innovative seamless solutions that go beyond traditional banking.

"People don't live to bank – they bank to live. And our job is to help them achieve their goals and make their lives better. We need to deepen our insights to ensure we're operating with a customer-centric mentality and that every experience delivers on our brand promise. It's about finding more ways to create value by removing irritants and finding ways to get closer to each of our customers."

BHARAT MASRANI, GROUP PRESIDENT AND CHIEF EXECUTIVE OFFICER

Governance

In both Canada and the U.S., we have a Customer Experience Committee. These groups help ensure that efforts are fully coordinated to deliver the best outcomes each and every time a customer does business with us.

Performance in 2016

Legendary Experience Index

The Legendary Experience Index (LEI) is the metric we use to capture the "voice" of the customer. It measures how we are doing when it comes to delivering a legendary customer experience. On a daily basis, we contact customers to get their feedback regarding their most recent interaction with TD. Customers rate their experience on a number of attributes, that were developed based on input from customer focus groups and research on what is most important to our customers. The LEI results are communicated regularly with employees to improve our performance, and they have an impact on employee compensation. In 2016, more than 600,000 customers across North America provided feedback through this survey measurement program.

1 In 2017 the calculation for the TD Bank Group composite score was modified to account for the TD Canada Trust Branch Banking weight change and TD Canada Trust Business Banking inclusion. Results in 2017 will not be comparable and the target reflects this adjustment.

Objective		2015 Results	2016 Results (target in brackets)	Progress	2017 Target
Deliver legendary customer service	Legendary Experience Index – TD Composite Score	46.4%	45.3% (46.5%)	<div><div></div><div></div><div></div></div>	43.8 ¹

Met On track Did not meet

2.1 Customer Experience 2.2 Product and Service Responsibility 2.3 Financial Access and Inclusion 2.4 Financial Education

After winning the top spot in the annual J.D. Power customer satisfaction survey among the big 5 Canadian banks for 10 years in a row, our ranking slipped to second place in 2016 by a narrow margin. In recent years we have seen the gap between us and our competitors narrow, reflecting an increasingly competitive market where many financial institutions are focused on improving their customer experience. While this increased focus on experience is clearly a win for customers, the loss was a disappointment for us and served to reinforce our commitment to continuously improve our performance as a customer-centric organization.

Digital Innovation and Leadership

We are focused on leading the way in the digital age and in recent years have introduced innovations that offer best-in-class digital customer service. TD is ranked among the world's leading online financial services firms, with approximately 11 million active digital customers. In Canada, TD is the leader in mobile banking with the highest number of unique mobile visitors accessing financial services.¹

Digital Enhancements in 2016

The year 2016 marked new digital milestones for TD, as we continued to collaborate and innovate to elevate the customer experience:

- TD was the first bank in the world to pioneer customer service through **Facebook Messenger**. Once on Messenger, customers can connect directly with our TD live agents for general product and account questions.
- We launched **TD MySpend**, which enables customers to easily track their spending habits in real time. See the case study on page 19.

- We unveiled the **TD for Me** mobile service. Another first in Canadian banking, TD for Me enhances our popular TD app with a "digital concierge" feature that provides customers with personalized content, such as special nearby offers, helpful tips and details on local events.
- We launched **Apple Pay**, giving customers more convenience and the choice to use iPhone, iPad or Apple Watch to make purchases both in-store and within apps.
- In our branches, we rolled out iPads for employees to use with their customers. We also created the Digital Advice Lounge, an internal resource centre that provides our branch staff with everything they need to know about having digital advice conversations with our customers.

Collaboration

We're fostering an innovation ecosystem and teaming up with a growing number of digital partners, from entrepreneurial start-ups to established tech players, to help us advance financial innovation, acquire digital knowledge and test new approaches. In 2016, for instance:

- TD and Cisco announced an agreement to collaborate on technology solutions to create enriched customer and employee experiences through the TD-Cisco Lab, located in Cisco's Toronto Innovation Centre.
- TD became the first Canadian bank to join Silicon Valley's Plug and Play Tech Center, the largest global technology accelerator, as a corporate collaborator in its Fintech program. The program runs twice a year and connects a select group of start-ups from around the world with participating financial institutions.



Customer Satisfaction

TD Canada Trust was named second place in "Highest in Customer Satisfaction Among the Big Five Retail Banks" by J.D. Power in the Canadian Retail Banking Study²

¹ comScore reporting current as of August 30, 2016. TD had the highest number of unique mobile visitors accessing financial services over the past three months, over the full year to date and over the third quarter of 2016.

² J.D. Power 2016 Canadian Retail Banking Satisfaction Study.

#TDThanksYou

For this year's #TDThanksYou customer appreciation campaign – an initiative first launched in 2014 – we created the "TD Thank Account." We surprised millions of customers across North America – in branches and over the phone – with personalized messages of thanks.



Watch one amazing day in 2016



2.1 Customer Experience 2.2 Product and Service Responsibility 2.3 Financial Access and Inclusion 2.4 Financial Education

Problem Resolution

In 2016, we enhanced the complaint escalation process to help branch employees and customer care specialists resolve problems more quickly. TD was the first bank in Canada to offer a dedicated social customer service team on Twitter and Facebook. We quickly address customer feedback provided through these sites and monitor our response times seven days a week, 24 hours a day – including holidays.

“In an organization where hundreds of thousands of customer interactions occur daily, mistakes are going to happen and customers are going to feel let down. Having a fair and responsive complaint-resolution system for customers to turn to in these moments of frustration is a valuable part of the service we provide.”

KERRY ROBBINS, TD OMBUDSMAN

When problems do arise, we strive to respond quickly, get the problem fixed and address the root cause. If an issue is more complex or a customer is still not satisfied, TD provides a transparent, easy-to-follow escalation process that is outlined on our website. This process enables customers to file a complaint regarding a potential violation of a code or commitment through the TD Office of the Ombudsman (Canada) or the Chairman's Service Center (U.S.).

- The increase in complaints in Canada in the table below is consistent with an industry-wide trend, with most Canadian banks experiencing a 20–30% increase in 2016¹. The key issues driving complaints referred to Branch Banking Customer Care were customer service, credit decisions and processing errors.
- In the U.S., there was a 1% increase in complaints referred to our Chairman's Service Center in 2016. Primary drivers of complaints were account discrepancies or errors, customer service and credit reporting. The retirement of Penny Arcade, our coin-counting machine service, generated a number of complaints in 2016 and TD issued a [news release](#) informing customers of the decision to withdraw the service from our stores and provide customers with alternative options.

¹ <https://bankingombuds.ca/wp-content/uploads/2016/05/ADRBO-Annual-Report-2016.pdf> (p5) and <https://www.obsi.ca/en/news-and-publications/media-releases/consumer-complaints-increase-in-2016-obsi-annual-report>.

Customer Problem Resolution

	2016	2015	2014
CANADA			
Number of problems referred to Branch Banking Customer Care	7,723	6,447	6,280
Number of customers who contacted the TD Office of the Ombudsman	4,331	3,922	3,086
Number of complaints requiring investigation by TD Office of the Ombudsman ¹	749	637	383
Percentage of problems resolved by TD Ombudsman within 90 days (target 90%)	95%	98%	99%
Problems investigated by the OBSI and ADR Chambers Banking Ombuds Office	176	106	116
U.S.			
Total number of problems referred to the Chairman's Service Center	8,622	8,596	7,900
Percentage of escalated customer problems resolved by the Chairman's Service Center within designated service level agreements (target 98%)	98%	98%	98%

¹ As of 2015, general insurance complaints are now included in this number.

2.2 Product and Service Responsibility

FS-7 FS-14 PR-3

Why It's Material to TD

Our customers expect us to offer financial solutions that enrich their lives. We embed responsible design and marketing into our products, services and communications so that consumers will continue to view TD as an authentic and trusted brand. Stakeholders increasingly expect TD to consider the environmental, social and economic impacts of our products and services and will choose to invest in us, work for us or bank with us based on our efforts and progress.

Management Approach

Our goal is to design products and services that meet customers' current and future financial needs. We provide personal interactions and proactive advice to help people achieve their financial goals and in so doing, increase their confidence in managing money and making financial decisions.

TD follows many industry-level codes of conduct and public commitments that are designed to protect consumers and ensure they are provided with information to assist them with their financial decisions. In planning and developing many of our products, services and marketing communications, TD often uses consultations with consumers (both customers and non-customers) to get their feedback and input. We also engage with stakeholders, experts and representatives from across industries to provide perspective on various initiatives. Product and service responsibility is a shared accountability across our Compliance, Marketing, Product Groups, Distribution and Environment departments.

Performance in 2016

Sales Practice

Our products and services are designed to meet genuine customer needs. Across our business, we have checks and balances in place, to support adherence to our corporate values and selling practices. We are always looking to improve and continue to monitor our practices.

Employees who interact with customers receive training on product features and Know Your Customer policies. Branch and phone-based sales representatives are trained to use online discussion tools in their conversations with customers. These tools prompt employees to consistently put the customer first, ask the right questions and suggest appropriate solutions.

Response to Media Coverage

In March of 2017, TD was the subject of media coverage with respect to our people and sales practices. Our leadership team spent the initial days and weeks listening to our colleagues from across the country. Many employees have told us that these reports are not their experience, not their TD.

We know that of the more than 100 million interactions we had with Canadian personal banking customers last year, we received a few hundred complaints related to our sales practices that were escalated beyond the initial channel. Of those that impacted our customers, less than 100 had compliance concerns and these were investigated and addressed.

However, we will review all of the concerns raised. If we can improve the way we do things, we will. We routinely conduct reviews of our business for this reason.

As we have done in the past with matters of such importance, we will be relying on our Board, as well as the objective advice from a leading professional services firm to make sure we really test ourselves. This is, after all, what it means to be the better bank.

Clear Language

Using clear language is a cornerstone of delivering a legendary customer experience. We want our customers to properly understand their financial rights and options and how our products and services work so they can make informed financial decisions. In the past few years, we have taken additional steps to make our product materials and website information easier to understand. TD has Clear Language Principles that guide our employees and a Clear Language Basics course to help train employees when writing customer documentation.



Analyst Corner

To Our Customers

TD Code of Conduct and Ethics

Codes of Conduct and Public Commitments

Understanding Tied Selling

Product Information

Green Banking

TD's Environmental Policy

Overdraft Practices

TD Bank's overdraft practices and policies have continued to evolve in recent years reflecting industry developments and changes in the regulatory landscape. There has been litigation in the financial services industry in the U.S. with respect to how banks process and assess overdraft fees. TD Bank, N.A. has been involved in this litigation. Some of the actions against TD Bank, N.A. have been dismissed or settled, and others remain ongoing.

Building Savings

Recognizing the importance of saving to long-term well-being, TD offers many resources to help customers build healthy savings habits:

- We offer free automated savings plans. Simply Save is one example, which helps customers save money every time they use their debit card. During 2016, TD Canada Trust customers saved \$5.8 billion through automated savings plans.
- The Canada Learning Bond (CLB) is a government grant that encourages customers to save for a child's future education and we facilitated \$12.1 million in CLB payments in 2016. We are also working with SmartSaver, a non-profit organization that helps eligible Canadian families start saving for their children's education with information on free government money and online access to get savings started.

Financial Hardship

We strive to be responsive and sensitive to customers facing financial challenges. We encourage customers to talk to us so we can help them get back on track before it's too late. The practical solutions we offer include credit and repayment options that help personal and small business customers avoid potentially more costly and time-consuming alternative means of financing; as a result, we retain customers and avoid costly writeoffs. In 2016, we restructured \$107.8 million in loans in Canada which helped ease payments for 22,790 customers. In the U.S., we restructured US\$51.1 million in troubled real estate assets.

Retail Green Products and Services

Consumer demand for environmental products and services is on the rise in North America. Green financial products and services are a growing segment of our retail and small business offerings, geared to helping our customers respond to environmental challenges. We offer choices across our business lines: personal banking, business banking, auto financing, investing and insurance.

- **TD Green Bond**
- **Green investment products**
- **Renewable energy financing** for small-scale projects, such as installing solar panels on a roof
- **Green insurance discounts**
- **Electronic banking** – mobile banking, online statements, paperless record-keeping
- **Eco car financing** discounts



\$5.8 billion

Total saved by TD Canada Trust customers through automated savings plans.

2016 \$5.8 billion

2015 \$5.3 billion

2014 \$5.1 billion

Paperless Banking	2016	2015	2014
Number of online statement accounts, in millions	10.4	7.4	6.0
Paper statements stopped, in millions	97.8	78.9	60.7
Paper documents stopped (TD Wealth), in millions	31.6	29.1	26.0
Lending for Small-Scale Projects			
Number of loans	87	122	292
Dollar value of loans (\$ millions)	3.2	3.4	6.8
Estimated kWh generated from the program ¹	995,657	1,057,886	2,019,600
Estimated GHG reduction (CO ₂ e) ¹	81	114	353
Lending for small-scale energy-efficiency projects			
Number of loans	1,961	2,084	1,305
Dollar value of loans (\$ millions)	13.4	13.8	8.1
Insurance for Hybrid and Electric Vehicles			
Number of active hybrid and electric vehicle discounts	17,778	16,605	15,157
Estimated reduction in GHG emissions by TD Auto Insurance customers through the use of hybrid and electric vehicles (tonnes CO ₂ e)	7,268	7,601	6,345

¹ In 2015, estimated kWh generated and estimated GHG reduction were restated to reflect an updated conversion factor representing the dollar investment per kW of capacity.

2.3 Financial Access and Inclusion

FS-13 FS-14 EC 8

Why It's Material to TD

We recognize that access to banking is a critical enabler of social and economic progress. We continue to remove barriers and make banking more accessible and inclusive. Our investments in this area are part of a “win-win” strategy that benefits both consumers and our company in terms of business growth and deeper customer relationships.

Management Approach

TD serves more than 25 million customers globally. Providing services that are accessible, affordable and inclusive for all, including for vulnerable and underserved populations in the financial system, is a key management priority.

- We have strategies in place to ensure that our products, services, culture and marketing initiatives reflect the communities and cultures that are part of our operational footprint.
- We provide specialized offerings for low-income customers, people with disabilities, new immigrants, LGBT customers and Indigenous populations.
- We work to increase social and physical access to our business in all communities.
- TD is involved in many innovative programs to help remove social and economic barriers to the financial system, including TD's financial education initiatives, which are discussed in other sections.
- Our investments in mobile technology have opened new paths for underserved populations, improving and expanding delivery of financial services and enabling them to participate in a digital-driven economy. TD MySpend is one example of how we are providing real-time advice and insights to customers via mobile technology – see case study on page 19.

The fundamental values of inclusion and diversity are ingrained in the TD Framework, corporate policies and business practices and are supported by our Corporate Diversity Office and, at the highest levels, by TD's Inclusion and Diversity Leadership Council (IDLC), which reports to the Group President and CEO.

Performance in 2016

Low-Income Customers

TD continues to ensure affordable access to essential banking services for lower-income individuals.

- In Canada, we offer a low-fee, basic banking account that is free for seniors collecting government income security, beneficiaries of Registered Disability Savings Plans, students and youth. We also offer seniors discounts on all of our fee-paying accounts. We open personal accounts regardless of whether a person is unemployed, is or has been bankrupt or is unable to make an initial deposit, subject to required conditions.
- In the U.S., we offer one of the lowest minimum balance accounts in the industry and provide affordable financing to low-income buyers through TD Bank's Right Step Mortgage® program, which features a low 3%-down payment option. In 2016, we originated 906 Right Step Mortgages totalling US\$165.2 million. We also introduced FNMA HomeReady, another low-down-payment mortgage product, with expanded eligibility for financing homes in low-income communities.

People with Disabilities

Accessibility is considered in the design of our facilities and all new technologies we build or buy. Our Assistive Technology labs research and test the latest technologies to enhance the experience of customers with disabilities. TD's touch screen ATMs are fully audio-accessible with headphones for people with visual disabilities. All customer-facing employees in Canada receive training about TD's accessibility services and properly serving all customers, including those with disabilities, and we are working on similar training for our U.S. colleagues.

In 2016, we developed a new strategy to expand our accessibility services, including the creation of a consumer disability panel, that will allow us to build deeper insights into the banking needs for this community.

Analyst Corner

Diversity
Governance

Serving Diverse
Needs

Low-Cost Banking
Options

TD and Indigenous
Communities in
Canada

Codes of Conduct
and Public
Commitments

Related Topics

Inclusion and
Diversity

Strategic
Philanthropy

Indigenous Peoples in Canada

TD's Aboriginal Banking Group works closely with our Commercial, Wealth and Retail businesses to provide a comprehensive approach to serving Aboriginal clients.

- Our Aboriginal Community Banking Program, launched in 2015, used mobile technologies to bring financial services to a number of remote locations, enabling individuals to open up accounts and receive bank cards on site.
- For more information, please see [Indigenous Relations in Canada](#) in the Community section of the report.

Newcomers

Access to banking is a critical part of helping newcomers feel welcome and included. TD offers:

- Service in over 200 languages through Language Line
- 2,800 ATMs in multiple languages
- A New to Canada banking package, which includes a chequing account with no monthly fee for six months and a credit card with no credit history required
- A [New to Canada website](#) in 14 different languages that provides immigrants with the information and resources they need to build a financial foundation in Canada

In 2016, we launched our first Lunar New Year program. Previously the campaign focused on the Chinese community, but now it recognizes a broader audience.

LGBT Customers

TD aims to be a leader in creating an inclusive and welcoming business environment for LGBT customers. We have Market Leaders in several Canadian and U.S. cities specializing in LGBT business development. Our advertising in branches, stores and mainstream publications reflects the diverse faces of the LGBT community. In 2016, we:

- Adopted gender-neutral washrooms and signage as a building design standard going forward for new and renovated retail locations. These single-occupant, accessible restrooms are available for use by anyone, regardless of their gender identity or expression.
- Introduced "52 weeks of pride" highlighting key moments for the LGBT community (e.g., anti-bullying, AIDS Day, Father's Day).
- Launched an LGBT financial literacy campaign, which included a monthly radio segment on the Shaun Proulx Show (on Sirius XM), an influential program in the LGBT community.

CASE STUDY

TD Supports Microfinance Program along U.S. East Coast



Kimheng Kehn, a small business owner who operates a produce stand in Boston, benefits from Accion's Microlending and Financial Education Program.

Since 2012, TD Bank, through the TD Charitable Foundation, has provided vital financial support to Accion, a non-profit network that provides microfinance loans to owners of the smallest businesses throughout the U.S.

These "microentrepreneurs" – often minorities and women – typically have fewer than five employees and capital needs from \$500 to \$25,000.

In 2016, TD contributed US\$215,000 to Accion's Maine to Miami Microlending and Financial Education Program – part of our US\$600,000 commitment over the past three years. The program empowers small business owners in 13 states to make informed financial decisions that grow thriving businesses, create jobs and increase family incomes.

Specifically, TD's support will enable Accion to provide:

- More than 11,000 hours of counselling to at least 4,500

applicants, with expectations that more than 1,040 small business owners will receive access to over US\$9.3 million in loans

- Financial education to more than 3,000 entrepreneurs through workshops and coaching clinics delivered in New York, Massachusetts and Florida

Over all, the program is estimated to create or sustain approximately 4,300 much-needed jobs for individuals and families along the U.S. eastern seaboard. Past Accion clients have demonstrated a 95% repayment rate and accumulated average savings of US\$9,338 each year.

2.4 Financial Education

FS-13 FS-16

Why It's Material to TD

With so many choices available for saving, spending, borrowing and investing, financial decisions are becoming more complex – making financial education more important than ever. TD's own market research showed us that consumers of all ages, demographics and income levels struggle to have confidence in their financial decisions.¹

¹ TD Economics Report: Financial Literacy: Millennials are a wake up call to build a strong foundation (p3–5).

Management Approach

TD is a long-standing supporter of financial education, and in recent years we have amplified our efforts to help people from all walks of life improve their money skills. Our Financial Education Council oversees financial education activities across TD, working to embed financial education in the bank's overall approach to product development, community activities and engagement with employees, customers and the public.

- Recognizing that people approach financial matters in very different ways, we take a blended-approach to financial education – combining in-person learning experiences with digital tools plus access to local bankers for advice.
- We offer a suite of educational tools and resources for customers and their families, to help increase their financial literacy and spark money conversations. We make TD product and fee information readily available in our facilities and on our websites.
- Each year, thousands of TD volunteers spend their free time helping people understand how to manage money wisely – not just in TD branches and stores, but in the communities where we live and work. Find out more in the Community section of this report.

Performance in 2016

TD Helps: Free Advice Platform

TD Helps is an online Q&A forum that encourages both customers and non-customers to ask questions about financial topics such as saving and managing money, home ownership and borrowing and managing credit. People receive answers from TD experts and community members (such as real estate agents, lawyers, etc.). Unlike other sites that simply offer FAQs, TD Helps provides personal responses that are posted within hours.

In 2016, our TD Helps teams in Canada and the U.S. answered close to 50,000 consumer questions. The volume of questions we received through the TD Helps platform was lower than the previous year (72,651) because we introduced more communication options including chat, text and messenger. In 2017, we will work to develop a replacement metric to demonstrate TD's progress on financial literacy.

Awareness and Outreach

Canada

- **FinanciallyFit website:** We launched the FinanciallyFit website to highlight that money confidence starts with money conversations. The site provides videos, articles, checklists and tips to help customers talk to their families about money management.
- **Financial Literacy Month:** For Financial Literacy Month in November, we ran a #FinanciallyFit campaign throughout our branches to promote financial literacy and draw attention to TD's financial education resources. Branches were provided with FinanciallyFit starter kits to use with customers, and we gave away 85,000 Money Fun Activity books for children ages 7–12. We used highly targeted, engaging digital marketing and both traditional and social media to extend our reach.
- **Savings calculators:** To promote saving and raise awareness of how small savings add up over time, TD gave out more than 100,000 personal savings calculators.



Analyst Corner

TD Helps

Financially Fit

Finance 101

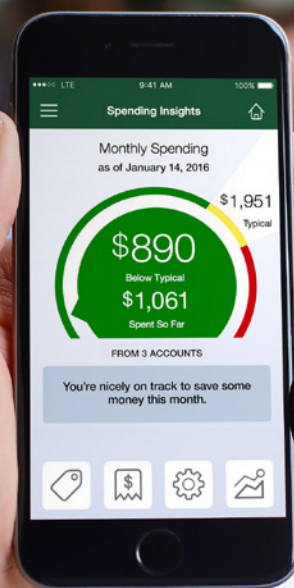
Tax Resource Center

U.S.

- **TD Bank Learning Center:** The TD Bank [Learning Center](#) delivers online, interactive financial education content in English and Spanish. In our stores, employees use tablets to take customers to the Learning Center, combining just-in-time financial education with personal financial advice. We launched the service with non-profit partners, including the Centro Campesino Farmworker Center, Bedford-Stuyvesant Restoration Corporation and YouthBuild Philadelphia Charter School.
- **Tax Resource Center:** Our new [Tax Resource Center](#) provides a one-stop experience for our U.S. customers to gather resources and information on tax filing. Located at tdbank.com/tax, the center provides educational content including an interactive guide, videos, calculators and tips, along with important dates plus reminders for customers regarding TD Bank tax documents.
- **National Financial Literacy Month:** During National Financial Literacy Month in April, we increase efforts to speak about financial wellness, using videos, articles and worksheets for customers and financial well-being assessments for our own employees.
- **Employee financial education:** Newly hired tellers now receive financial education on budgeting and credit as part of their required training. Each month, employees can engage in a new financial topic – from retirement planning to managing joint finances with their significant other.

CASE STUDY

New app helps improve financial well-being by tracking spending habits



Money management can be a daunting, time-consuming task with a negative focus on missed targets. To make it easier, in 2016 we rolled out TD MySpend, a new real time money management app – a first in Canadian digital banking.

A companion to our existing banking app for iPhone or Android, TD MySpend helps customers track their monthly spending in real-time, including where and how they spend by category (groceries, health, etc.).


Features include a daily Spending Insights meter and a week-to-week view of overall monthly spending displayed against an average monthly spending trend. This allows customers to quickly see how they are doing in comparison to previous months. To create the app, TD collaborated with Moven, a U.S. start-up that built the technology.

As a unique money management tool, TD MySpend can help customers make informed spending choices and find ways to save. Since launching in June 2016, we have attracted close to 1,000,000 registered users.

Within the app, a traffic-light-coloured Spending Insights meter updates each transaction in real-time to provide a quick snapshot of whether a customer is above, at or below their typical monthly spending habits.

3.0

Workplace



We understand that great customer experiences start with great employee experiences. Our vision to be the better bank is only possible if we create a diverse, inclusive and supportive environment where our colleagues feel engaged and valued.

Material topics in this chapter:[Employee Engagement](#)[Inclusion and Diversity](#)[Health and Well-Being](#)

Highlights

\$83.8 million

Invested in training and developing our people.

37%

Women in senior management in Canada.¹

\$9.3 billion

Spent on employee compensation and benefits.

85%

Of employees say they are proud to work for TD.

¹ Senior Management includes TD job levels Vice President and above who have signing authority.

3.1 Employee Engagement

Why It's Material to TD

Our vision is to be the better bank. To do that, we need to attract and retain talented people who are truly engaged in their work.

Management Approach

TD's goal is to engage our people so they feel inspired and supported. It's an important part of our business strategy and one of the ways we strive to differentiate TD as a best employer, which we measure through our employee engagement score, voluntary turnover rates and recognition from external benchmarking organizations.

To cultivate a highly engaged workforce, we:

- Empower employees to think like a customer and act like an owner to enhance our brand
- Work closely with employees to understand and respond to what matters to them
- Provide opportunities for skill development and long-term career advancement
- Involve our managers and leaders in helping to design and deliver a positive, inclusive work environment
- Communicate openly and regularly about TD's vision, values and culture – encouraging dialogue across the organization

In October 2016, we launched the new **TD Framework** (see page 1). It outlines our vision, purpose and shared commitments that represent the TD culture. To support the framework, we also created a new Employee Value Proposition that articulates TD's commitment to provide our colleagues with work that matters, career opportunities beyond expectations and inspiring leadership.

Performance in 2016

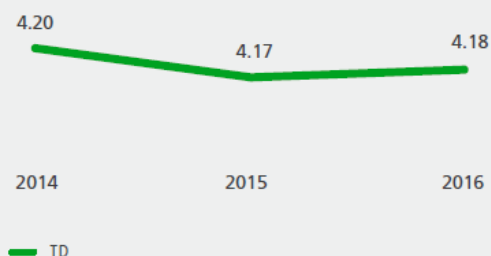
Global Engagement Survey

Through our global engagement survey, employees provide feedback on more than 30 aspects of their current work experience. Three of these survey questions form the Employee Engagement Index (EEI) – a key performance metric that is monitored closely by senior management and the Board. People managers throughout the bank actively use these survey results to drive ongoing improvements in our workplace practices to ensure TD continues to deliver on our value proposition for employees.

Our 2016 results continue to reflect strong employee engagement, specifically:

- There was a high survey participation rate of 87%.
- 81% of our employees reported being engaged. The actual engagement score on a five-point rating scale was 4.18 in 2016 versus 4.17 in 2015.
- TD employees consistently report that they are proud to work for TD, that they feel supported by their manager and that TD shows genuine commitment to both our customers and the communities in which we operate.
- TD continues to be recognized by external ratings organizations as a Great Place to Work and a Best Employer.

Employee Engagement¹



Analyst Corner

Code of Conduct and Ethics

TD Bank Group Workforce Profile

Developing Leaders

Campus Recruitment

¹ EEI is our measure of overall engagement and is calculated using the average response (on a scale of one to five) to three questions. See table on next page.

Objective		2015 Results	2016 Results (target in brackets)	Progress	2017 Target
Provide a great place to work	Increase Employee Engagement Index	81 %	81% (increase year over year) ✓	●	82 %
	Reduce average global turnover	21.34%	20.08% (reduce year over year) ✓	●	Reduce year over year

● Met ● On track ○ Did not meet

3.1 Employee Engagement 3.2 Inclusion and Diversity 3.3 Health and Well-Being

Pulse Survey Results¹

Selected questions (% positive)	2016	2015	2014
EEI Composite:			
My work gives me a personal feeling of accomplishment.	81%	80%	81%
I plan to be with TD one year from now.	84%	84%	85%
I am proud to say I work for TD.	85%	85%	86%

¹ Percentage of respondents who agreed or strongly agreed with the statement.

Retention

TD's average global turnover (voluntary and involuntary) decreased to 20.08% in 2016, from 21.34% in 2015. While we've seen a slight increase in voluntary turnover in Canada (11.84%), it remains within the normal range¹ and reflects TD's longer-hours business model which requires more part-time employees. Voluntary turnover rates tend to be higher in U.S. banks primarily due to a more competitive landscape for talent. TD's voluntary turnover was 18.34%, which is slightly higher than the industry average of 16%². In 2016, TD Bank made solid progress in reducing turnover in the U.S. through management efforts.

We sought to improve the employee experience by:

- Providing better scheduling options, especially for part-time tellers and contact centre staff
- Increasing the ratio of full-time positions, where possible
- Enhancing career development and teller-progression programs

While retention in the U.S. is improving, it continues to be a top priority in 2017.

Employee Turnover (%)

	2016	2015	2014
Average global turnover rate	20.08% ✓	21.34% ✓	18.40%
Canada			
Voluntary ³	11.84 ✓	10.95	9.26
Involuntary ⁴	4.50 ✓	4.95	3.65
Retirement	1.22 ✓	1.48	1.41
Total	17.56 ✓	17.38 ✓	14.31
U.S.⁵			
Voluntary ³	18.34 ✓	22.61	20.11
Involuntary ⁴	6.43 ✓	7.31	7.01
Retirement	0.57 ✓	0.68	0.59
Total	25.35 ✓	30.42 ✓	27.71

AWARDS



TD named one of the **Best Workplaces in Canada** for the 11th year in a row by the Great Place to Work Institute

TD awarded the **Best Talent Management Strategy** by the Canadian HR Awards

TD presented with a **Talent Management Award** from *Chief Learning Officer* magazine

¹ According to a comparison of the Big 5 Banks in Canada, conducted by PWC in 2015, the average voluntary turnover rate was 11.52%. Source is a syndicated survey where all banks are measured using common criteria.

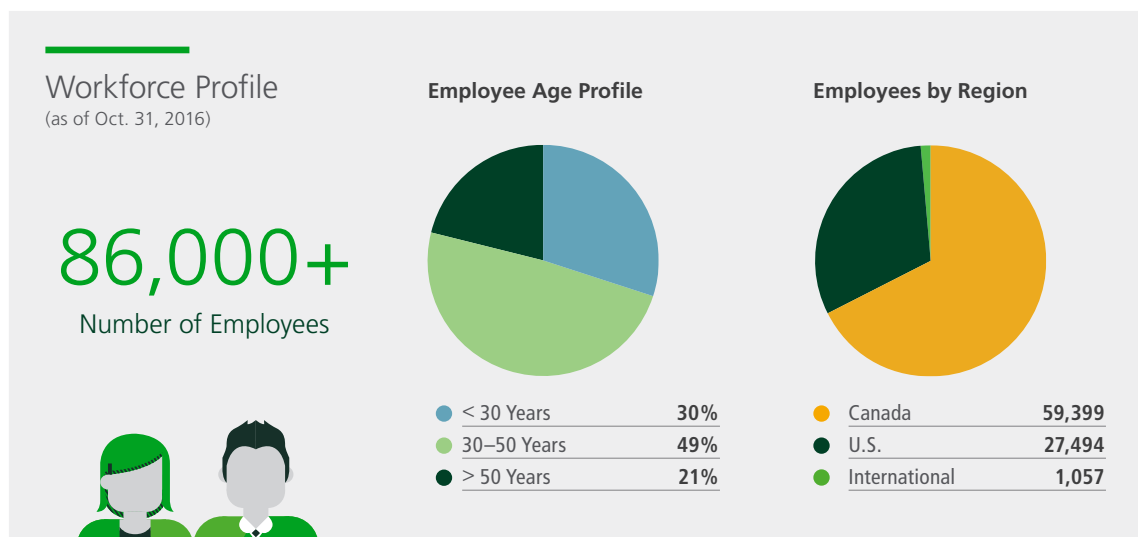
² McLagen Report: Retail Banking Pay Practices 2012, p12. Syndicated survey comparing turnover at 23 U.S. banks.

³ A voluntary exit from TD occurs when the employee chooses to leave TD.

⁴ An involuntary exit from TD occurs when employment is terminated.

⁵ Data includes TD employees who reside in the U.S., a broader employee pool than TD Bank America's Most Convenient Bank; excludes TD Wholesale Bank.

3.1 Employee Engagement 3.2 Inclusion and Diversity 3.3 Health and Well-Being



Training & Development (Global)			
	2016	2015	2014
Investment in training (millions of dollars) ¹	\$83.8	\$83.4	\$88.5
Investment in training (dollars) per employee ¹	\$835	\$877	\$969
Amount employees received through TD's Tuition Assistance for external learning (millions of dollars)	\$26.4	\$20.5	\$21.7
Average number of days of training ²	3.3	3.7	3.3
Average hours of training³ per:			
Executive ⁴	35	29 ⁵	9
People manager ⁴	30	22	21
Employee (non-manager) ⁴	24	24	26

¹ Includes the courses available through TD's Learning Management System, as well as external courses, certificates and accreditations.

² An average day is considered eight hours for U.S. employees and 7.5 for all other employees.

³ Excludes training hours tracked outside of TD's Learning Management System because the data is not available and cannot be reasonably estimated.

⁴ Executive includes TD job levels Assistant Vice President and above. People manager includes an employee who has one or more direct reports. Employee (non-manager) includes an employee who does not have any direct reports.

⁵ The increase in training figures can be attributed to a number of new eLearning modules distributed to Executives to support leadership practices.

Human Capital Development

Developing our colleagues is one of TD's key priorities. It is critical for our future growth and is a key accountability for TD leaders at all levels. Highlights of our 2016 initiatives include the following:

- We provide regular career coaching, mentoring, on-the-job training and a variety of tools and resources to support every stage of the career journey.
- We offered almost 18,000 eLearning courses offered through TD's Learning Management System (LMS), including mandatory compliance courses. In 2016, TD employees completed more than two million online courses to further their development.
- Over 1,800 leadership development courses offered. More than 78,000 courses were completed by TD executives and managers, improving their ability to apply TD's business strategy, leadership values, culture and talent priorities.
- Over 1,500 employees took advantage of our Short-Term Assignment Policy, which lets them apply for assignments to build new skills and experiences without losing their status in their current role.
- In 2016, we invested **\$83.8 million** globally in training and developing our employees, up from \$83.4 million in 2015. The reduction in spending per employee since 2014 can be attributed to increased delivery of training through virtual classrooms rather than in-person workshops, which are more expensive to operate. The quantity of training per person, averaging 3.3 days, remained consistent as employees continued to embrace virtual learning options.

3.1 Employee Engagement 3.2 Inclusion and Diversity 3.3 Health and Well-Being

Recruitment

TD continues to invest significantly in campus programs to attract and develop the next generation of leaders. For example, we provide paid internships, have co-op programs with colleges and universities and offer unique rotational programs that allow recent graduates to explore different career options at TD while building their network and industry knowledge. Both interns and early-career hires receive mentorship from senior employees on career development.

Digital Innovation and Talent

Two years ago, TD began a digital transformational journey:

- We have invested significantly to modernize and standardize our technology infrastructure across TD through our DASH program. A bank-wide program, DASH stands for **Drive for Agility, Speed and High-Tech Innovation** and it's all about making TD the better bank. The program is realizing many business benefits, including simplifying the way we work, making it easier for employees to do their jobs and becoming more responsive to our customers' needs.

- To attract scarce, high-performing talent in fields such as data science and analytics, we have a dedicated technology careers section on our website, a Technology Co-op/Internship program and a Technology Associate Rotational Program that gives undergrad students a unique opportunity to work with various IT managers and areas across the bank over a two-year period.
- We are building TD's capabilities as an exciting tech incubator. One example is our collaboration with Communitech, a non-profit industry-led innovation hub in Waterloo, Ontario. The TD Lab is located within the Communitech Hub, and we work alongside pioneering companies from the start-up world to explore cutting-edge digital solutions for the financial services sector. This "idea factory" is helping TD harness emerging technologies for our clients and transforming our operations.

18,000+

eLearning courses offered through TD's Learning Management System (LMS)

Investing in Talent



Over 1,029,493 applicants/candidates in 2016

114,109 recruiter interviews

68,827 hiring manager interviews

49%

Positions filled from within TD

40,247

Hires

6,132 employees have worked here for 25 or more years.

3.2 Inclusion and Diversity

Why It's Material to TD

We view inclusion and diversity as a business imperative in today's global market. It's how we attract and develop the best people, connect with our customers and harness a richer variety of experiences, perspectives and abilities that make our business stronger.

Management Approach

Building an inclusive and diverse organization has been a formal business strategy at TD since 2005. Our goal is to create an inclusive bank that reflects the diverse communities we serve. We have embedded inclusion and diversity into every aspect of our business – from our workplace practices to our customer relationships and community involvement.

Governance

Our Inclusion and Diversity Leadership Council (IDLC), originally formed in 2005, comprises senior leaders across TD and is chaired by Riaz Ahmed, TD Bank Group Head & CFO. The IDLC sets the bank's inclusion and diversity strategy, oversees its progress and is supported by more than 300 leaders who are active on diversity subcommittees and regional councils. Every three years the IDLC and its committees review the overall inclusion and diversity strategy, setting new three-year goals, objectives and supporting tactics. The last review was in

2014, with the following five strategic priorities established for 2015–17: accountability, talent, inclusive leadership, winning in the marketplace, and governance.

In 2016 the IDLC implemented changes to the council and TD's approach. Each business line and function is now responsible for driving accountability for inclusion and diversity into its business objectives and is being measured on its progress on an annual basis. While we continue to have specific areas of focus – Indigenous Peoples (Canada), lesbian, gay, bisexual, transgender and allies (LGBTQA), people with disabilities, veterans (U.S.), visible minorities, and women in leadership – we are building initiatives that span across these identity groups and their intersection points.

Programs

Our approach is underpinned by a strong suite of diversity training programs, mentoring tools, resource groups, flexible work options, accommodations and forums for sharing ideas and experiences. All new hires are required to complete diversity and inclusion awareness training. TD's recruitment team proactively conducts outreach to attract candidates from diverse talent pools.

We also have a vibrant community of over 50 Employee Networks aimed at building awareness and education on a wide variety of inclusion and diversity topics. Many of these networks exist both virtually and in person, giving employees the opportunity to connect.

>

Related Topics

Financial Access and Inclusion

Strategic Philanthropy

↓

Analyst Corner

Code of Conduct and Ethics

Our Commitment to Diversity


Diversity Governance

Serving Diverse Needs

Employee Equity Report

TD and Indigenous Communities in Canada

Our 50+ Employee Networks Include:



Mental Health Community	People With Disabilities U.S. Network
TD South Asian Community Employee Network	Women in Leadership Mentorship
TD Black Community Employee Network	Women in Leadership Flexible Work Options Network
TD Chinese Community Employee Network	Indigenous Employee Circle
Hispanos@TD Community Employee Network	Working Moms and Dads Network
TD Korean Community Employee Network	LGBTQA Share Your Pride Network
Parents of Children With Disabilities Network	Veterans Employee U.S. Network

Performance Trends: Workforce Diversity at TD (Canada)¹

		Labour Market Availability ²	2016	2015	2014
Women	Overall	53.6%	58.0% ✓	59.6% ✓	60.2%
	Senior management ³		37.3% ✓	35.7% ✓	33.7%
	Middle and other management ⁴		44.2% ✓	45.0% ✓	46.5%
Visible Minorities ⁵	Overall	24.7%	29.1% ✓	27.9% ✓	29.5%
	Senior management ³		14.7% ✓	12.7% ✓	11.2%
	Middle and other management ⁴		31.6% ✓	29.7% ✓	26.3%
Indigenous Peoples ⁵	Overall	2.1%	1.3% ✓	1.3% ✓	1.3%
	Senior management ³		1.7%	0.9%	1.4%
	Middle and other management ⁴		0.9%	0.9%	0.9%
People With Disabilities ⁵	Overall	5.7%	5.9% ✓	5.9% ✓	6.3%
	Senior management ³		5.0%	5.8%	6.4%
	Middle and other management ⁴		5.6%	5.3%	6.1%

¹ Includes all Canadian businesses and full-time and part-time employees. Data from 2015 and 2016 are based on internal reporting and definitions. Previous years represent the amounts reported to the Canadian federal government.

² Labour Market Availability based on 2011 Census of Canada.

³ Senior Management includes TD job levels Vice President and above who have signing authority.

⁴ The category of "middle and other management" as determined by the Canadian federal government for employment equity reporting: "middle and other managers receive instructions from senior managers and administer the organization's policy and operations through subordinate managers or supervisors." Refer to the Human Resources and Skills Development Canada (HRSDC) website for more information.

⁵ Data is voluntarily disclosed by employees.

Performance in 2016

- In Canada, we increased the representation of women at VP levels and above to 37.3%, from 35.7% in 2015, and of minorities at VP levels and above to 14.7%, up from 12.7% in 2015.
- We continue to work toward a goal of 40% women in senior leadership roles in Canada. (In 2017, we set a specific goal to reach this target by 2020.)
- There was a high level of engagement in inclusion and diversity forums and initiatives.
- Survey results show women and men share equally high confidence in meeting career objectives with TD.

2016 Initiatives for Diverse Communities**Women in Leadership (WIL)**

TD's Women in Leadership network, with more than 11,500 women across Canada and the U.S., continues to provide support, tools and opportunities for women at every stage in their careers.

In 2016, we conducted listening tours with over 700 TD women across our North American operations to learn about their evolving employment needs and expectations. This input has informed our new WIL strategy, which will be launched in 2017. In the U.S., we mentored 563 female employees through our Emerging Leaders program.

TD works to publicly champion and build awareness of gender equality issues. Last year TD became a member of the 30% Club, a collaborative effort of business leaders to improve gender representation in corporate governance. TD also partnered with the University of Toronto's Rotman School of Management to publish a national report on the professional advancement of women in Canada, the result of a year-long research project and essay competition that engaged working women across the country.

AWARDS

TD named one of **Canada's Best Diversity Employers** for the fifth year in a row by Mediacorp.

Listed in DiversityInc's **Top 50 Companies for Diversity** for the fourth year in a row, this year at the 39th spot. TD Bank also ranked 11th on DiversityInc's Diversity Councils list.



A “Catalyst” for Women in Business

Jenn Ocampo-King is Director, Prime Brokerage, with TD Securities. In 2016, she won Catalyst Canada’s first Emerging Leader Award for being an exceptional role model for women and for championing inclusive workplaces. At the early age of 15, Jenn was living on her own and supporting her family. When she received the opportunity to join the capital markets industry, she seized it and took ownership of her career.

Having benefited from the support of others, Jenn generously gives back to TD and her community to ensure others receive similar guidance in navigating their careers. She is the co-founder and Chair of the TD Securities Women in Leadership Champion Network, has planned more than 50 mentor/mentee events for junior women and runs regular networking and panel sessions with senior executives. Jenn was also recognized by Women in Capital Markets in 2014, winning the Rising Star Award for inspiring greater diversity in Canada’s capital markets, a traditionally male-dominated field.

People with Disabilities

Our Assistive Technology program tests new technology, partners with employees to ensure that they are comfortable with their accommodations and provides advice to IT teams on accessibility (see feature story on page 4). Last year, 2,768 employees received workplace accommodations, which included 1,044 pieces of assistive technology or software deployed by our Assistive Technology team.

We have seen considerable success in targeted hiring initiatives on both sides of the border. In the U.S., we are participating in Going for the Gold, a three-year pilot project of the U.S. Business Leadership Network to advance disability inclusion and recruitment in the workplace. TD is one of nine companies involved and committed to meeting disability-hiring targets. As a result, we’ve hired over 250 people with disabilities since the program’s inception in June 2014. In Canada, we worked in partnership with Lime Connect Canada, Career Edge and Specialisterne and launched a targeted program at two of our branches in Vancouver, B.C., to provide meaningful employment to nearly 100 new employees with disabilities.

Minorities

TD is committed to finding, building and nurturing talent from people of all backgrounds. In 2016, for example, we:

- Created a North American strategy to increase our focus on sourcing talent from the African-American/ Black community and build relationships with key schools and organizations to recruit talent. In the U.S. we participated in eight recruitment events with Black business organizations to help increase minority employee representation.
- Engaged 68 employees in our Visible Minority Leadership Program, a two-day program to strengthen their ability to lead and communicate authentically. The program is supplemented with one year of group mentoring by members of the Visible Minority Leadership committee.
- Grew our Latinos in Leadership resource group to more than 2,600 members.

AWARDS



TD listed on the **2017 Bloomberg Gender-Equality Index**.

Scored 100% on the **2016 Disability Equality Index** for the second year in a row.

Named one of *Affinity Magazine’s* **2016 Top Corporations for LGBT Economic Empowerment**.

Indigenous Peoples in Canada

In 2016, we continued to educate our workforce on the history, culture and opportunities (talent and business) of Indigenous peoples in Canada, throughout the year and during our Aboriginal History Month celebrations. We hosted an internal employee event featuring a keynote speech by Roberta Jamieson, president and CEO of Indspire, who discussed the empowerment of Indigenous peoples through education and the opportunities to harness the abilities of this emerging and enabled workforce.

- Participation in the Indigenous Employee Circle, an online community, grew to 827 members, up from 716 members in 2015.
- We have begun to recognize traditional lands and territories as we open events. In a few cases, we have also engaged Elders/Knowledge-Keepers to provide a traditional opening to events.
- In 2016, we again published **TD and Indigenous Communities in Canada**, a report that communicates our commitments and actions in support of Aboriginal success in the workplace, economy and community.

LGBT+

Since first introducing same-sex benefits to our Canadian workforce in 1994, we have made significant progress in creating a truly inclusive workplace for LGBT+ employees wherever we operate. These efforts continued in 2016; for example, we:

- Introduced an important design change to new and renovated branches going forward, whereby we will build gender-neutral washrooms. An emerging best practice in North America, these single-stall, accessible washrooms are available for use by any person, regardless of their gender identity or expression.
- Sponsored 62 Pride events across North America to engage our employees while supporting the community.
- Organized several LGBT+ networking events in the U.S. and launched our first LBTQ Women's Network.

Veterans in the U.S.

While this community is a newer priority for TD, we have an employee resource group that focuses on opportunities for veterans and helps them transition from active duty to the workplace. In 2016, TD participated in over 10 recruitment events with organizations focused on finding jobs for veterans. This resulted in 80 new hires. We also created a military skills translator tool specific to roles at TD for our recruiters and produced a video launched on Veterans Day that celebrated employees who have served their country.

Human Rights

In every country in which TD operates, we support and respect the protection of human rights. We also share the values reflected in international proclamations about human rights, such as the Universal Declaration of Human Rights.

We adhere to and, in many cases, exceed all applicable labour laws and standards addressing issues such as equal pay, hours of work and child labour. TD's Respectful Workplace Policy and our Health and Safety Policy articulate our commitment to providing a work environment free from any form of harassment and unlawful discrimination, where every employee, customer, client and independent contractor is treated with dignity and respect. TD's employees are the heart of everything we do and we encourage an inclusive and diverse working environment. TD's model is one of employee engagement and we encourage open dialogue to help us create a positive working environment where all employees can thrive.

Under the TD Code of Conduct and Ethics, every employee and director of TD is expected and required to assess every business decision and every action on behalf of the organization in light of whether it is right, legal and fair. Robust internal investigation and escalation processes are followed when concerns are raised regarding harassment, unlawful discrimination or other conduct that would contravene these policies. Employees and Directors attest to compliance with these policies on an annual basis.

We promote Indigenous rights and support the principle of free, prior and informed consent (FPIC), with our commitment reflected in TD's Environmental Policy and Environmental Management System.

TD educates employees on relevant human rights issues through various communications and learning programs, including inclusion and diversity training.

In 2016, we formed a Human Rights Working Committee, tasked with responding to the U.K.'s new legislation on Modern Slavery. This cross-functional committee met regularly to understand relevant issues and develop the [TD Bank Group Slavery and Human Trafficking Statement](#).

AWARDS



Included among the Top 25 Trailblazing Companies for demonstrating a public commitment to LGBT people and issues.

Scored 100% on the **2016 Corporate Equality Index** for the eighth year in a row.

3.3 Health and Well-Being

Why It's Material to TD

We recognize that for employees to perform at their best, they need to be healthy, happy and supported in managing their work/life demands.

Management Approach

Protecting and promoting the well-being of our employees is part of our effort to provide an extraordinary workplace. To achieve this, we have extensive programs in place to help employees assess, manage and improve their well-being in three critical areas: physical, financial and mental.

Physical Well-Being

TD has a clear North American Health and Safety (H&S) policy and a dedicated H&S management system and delivers regular training and communications to keep managers and employees informed.

- In Canada, the H&S team, a National Policy H&S Committee, and people managers and H&S representatives in each location across the country

work with employees to ensure H&S programs support applicable regulations and are effective across our operations.

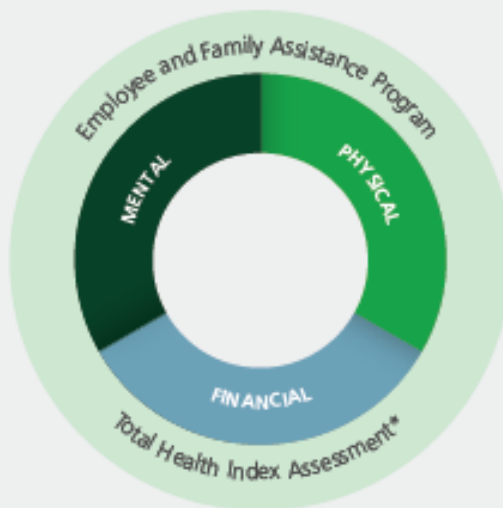
- In the United States, the same goal is achieved by the Safety team with support from Safety Committees, Human Resources, people managers and cooperation from all employees to ensure a safe working environment.

Financial Well-Being

As part of TD's investment in employee well-being, we offer a comprehensive benefits plan, including medical, dental and insurance options that provide choice and flexibility to best meet the changing needs of our employees and their families. We are also proud to offer a robust compensation package, an employee share ownership plan (Canada), a competitive defined benefit pension plan (Canada) and 401(k) (U.S.) and group savings plans to help employees meet their financial goals.

Online retirement and financial planning tools are available, which provide employees personalized projections to assist with short- and long-term planning, including information and advice on their pension arrangements. Additionally, employees have access to legal and financial support services to help deal with a number of issues, including debt/credit management, legal bankruptcy, contracts, landlord and tenant issues, etc.

TD's Approach to Well-Being



*Benefits available to Canadian employees.

Examples of benefits:

Physical Well-Being

- Benefit plans
- Wellness account
- Seasonal flu coverage
- Insurance coverage
- Retiree benefits
- Workplace accommodations
- WELL building standard
- Health and safety

Financial Well-Being

- Compensation
- Employee savings plans
- Share ownership plan*
- Pension/401(k)
- Scholarship programs
- Incentive plans
- Discounts and banking benefits
- Tuition reimbursement

Mental Well-Being

- Vacation/PTO (paid time off)
- Reward and recognition
- Leave policies
- Flexible work options
- Volunteer grants
- Emergency child care
- Employee ombudsman
- Critical incident response



Analyst Corner

Summary of Benefit Programs

TD's Approach to Compensation

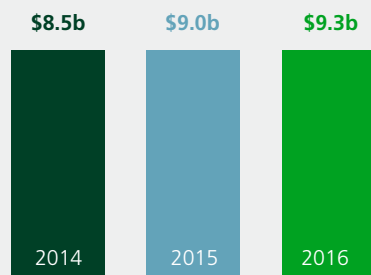
Code of Conduct and Ethics

Whistleblower Hotline

TD's Approach to Job Transitions

3.1 Employee Engagement 3.2 Inclusion and Diversity 3.3 Health and Well-Being

Total Spent on Compensation and Benefits



Mental Well-Being

TD provides a wide array of options for paid and unpaid time off to assist employees who need time away from the workplace to deal with personal situations such as the birth or adoption of a child, the death of a loved one or completion of a post-graduate degree. In 2016, we reviewed our internal policies and programs to ensure they provide sufficient support to sustain a psychologically healthy and safe workplace. TD remains committed to supporting employee mental well-being in the workplace, and we will continue to implement recommendations from the review through 2017.

Performance in 2016

Canada

- Refreshed the employee websites that host benefits, pension and savings programs to provide a better user experience and improved resources.
- Launched a Total Health Index Assessment tool. Participating employees receive a personalized, confidential report with recommendations and resources to help meet their total health needs.
- Expanded the list of eligible illnesses from three to 17 in our critical illness insurance program.
- Announced coverage for psychologist services to our core medical plan.
- Invited 10,000 TD employees to participate in a Guarding Minds @ Work survey to assess employee perception of psychological health and safety in the workplace. The results will help us identify next steps in promoting a psychologically healthy and safe workplace.

U.S.

- Enhanced our process for employees requesting workplace accommodations, which has helped to reduce costs and improve the employee experience.
- Launched a safety-training module for all our fleet drivers.
- Launched a new mobile-friendly website that highlights the full package of programs, discounts and services available to employees to support their physical, financial and mental well-being.
- Hosted a series of financial education sessions for employees on retirement savings, money management and personal budgeting.

In both Canada and the U.S., work-related injuries remain at very low levels as shown in the table below:

Work-Related Injuries¹

	2016	2015	2014
Canada			
Minor injuries ²	255 (0.43%)	193 (0.33%)	233 (0.39%)
Disabling injuries ³	148 (0.25%)	107 (0.19%)	130 (0.22%)
Employee days absent beyond day of injury ⁴	2,667	1,569	2,161
Fatalities due to work-related accidents	0	0	0
U.S.			
Medical/report only claims filed through workers' compensation ⁵	454	467	607
Indemnity claims filed through workers' compensation	38	53	60
Employee days absent beyond day of injury	2,334	2,832	3,853
Fatalities due to work-related accidents	0	0	0



87%

Of employees agree that TD supports their ambition to get involved in corporate responsibility initiatives.

¹ Figures in parentheses indicate accident statistics as a percentage of our workforce in the country noted, as at the end of the calendar year.

² Injuries that are treatable in the workplace, with no time lost beyond the day of injury.

³ Injuries that result in lost time in the workplace on any day following the injury for each of the years shown.

⁴ Number and severity of disabling accidents increased in 2016 due to an increase in time lost in the categories of slips/trips/falls, robberies and medically related incidents. Some other accident categories decreased in number of days absent compared to 2015.

⁵ Workers' compensation claims below \$2,500 or any claim that requires no payment or activity other than generating a report.

Employee relations

We strive to foster a culture of open communication, providing employees a number of channels to comfortably raise their concerns directly within the organization.

- Our **Employee Complaint Resolution Process** helps to ensure that the employee has various channels to report their concern and that the matter is directed to the right people and is resolved quickly, objectively and without fear of reprisal.
- Our **Employee Ombuds Office** is an impartial, confidential and informal resource available for all employees to discuss work-related concerns and review possible options for resolution. In 2016, 1,309 employees used this service, down from 1,560 in 2015.
- TD's **Whistleblower Hotline** provides a means by which employees and other stakeholders can anonymously report any concerns regarding ethical, legal or accounting matters without fear of repercussions. TD's Whistleblower Hotline is independently managed by a third-party.

Our Global Employee Relations group is responsible for maintaining meaningful work standards, policies and practices that are consistent with TD's commitment to the overall employee experience and the bank's business objectives, as well as legal and regulatory requirements. The group provides guidance to human resources practitioners and management on complex employment matters in order to ensure that TD's policies and practices are applied consistently across the organization and that all matters are addressed in a way that is fair and transparent.

CASE STUDY

Early Adopter:

TD receives world's first WELL building certification



TD is breaking new ground as the world's first organization to achieve WELL certification. Administered by the International WELL Building Institute, a public benefit corporation, WELL is the world's first building standard and certification system focused on the health and wellness of building occupants.

We retrofitted one floor of TD Centre, our corporate headquarters in downtown Toronto, to provide workplace wellness features. The pilot project was awarded WELL Gold Certified™ Project Under WELL v1 certification in May 2016 for having incorporated WELL features in all seven categories of building performance: air, water, light, nourishment, fitness, mind and comfort.

Employees are very positive about the space, and we're applying what we've learned to other projects. The WELL certification, along with our sustainable and energy-efficient design standards, has made TD a true pioneer in designing and building spaces that are healthier for employees, as well as better for the environment.

4.0

Environment

TD is proud to be a North American environmental leader. In 2016 that leadership meant continuing our focus on helping to build a lower-carbon economy, from financing and investing in a multitude of renewable energy initiatives to reducing the direct – and indirect – environmental impact of our operations.

TD
Green
Energy
Park

Established 2011



Material topics in this chapter:

Climate Change

Responsible Finance

Responsible Investing

Eco-Efficiency

Highlights

RE100

First Canadian company to join RE100; met the 100% renewable electricity commitment.

Green Bonds

TD Securities participated in \$5.4 billion of green bond underwriting.

\$9.3 million

Donated to community environment projects.

Dow Jones Sustainability World Index

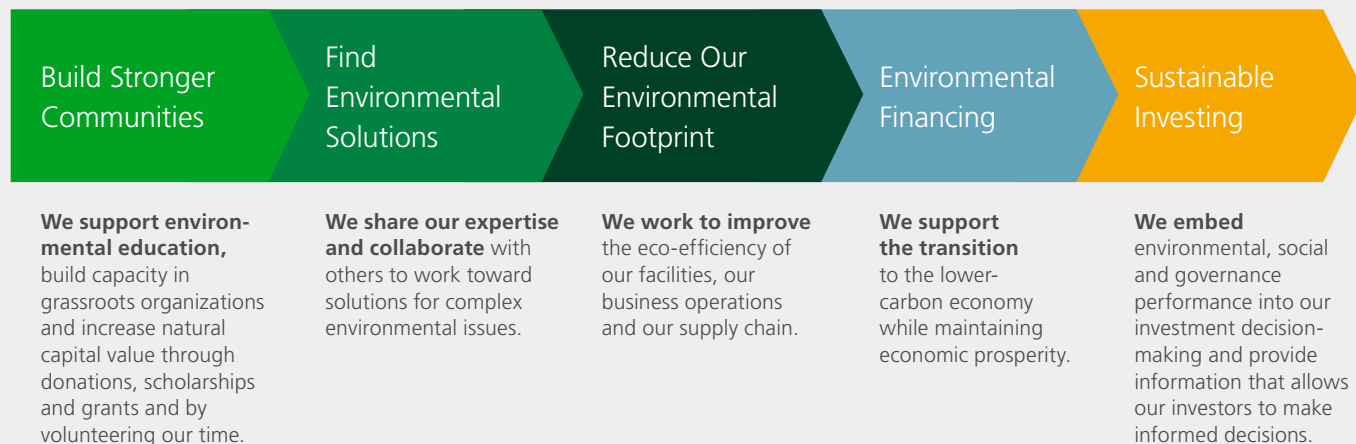
Only Canadian bank listed.



"We recognize that now more than ever we need to understand – and address – long-term trends related to climate change while supporting economic growth. We believe we have a responsibility to our clients to provide financial options for operating in a lower-carbon economy and a responsibility to our employees and the communities we serve to facilitate greener living."

– KAREN CLARKE-WHISTLER, CHIEF ENVIRONMENT OFFICER, TD BANK GROUP

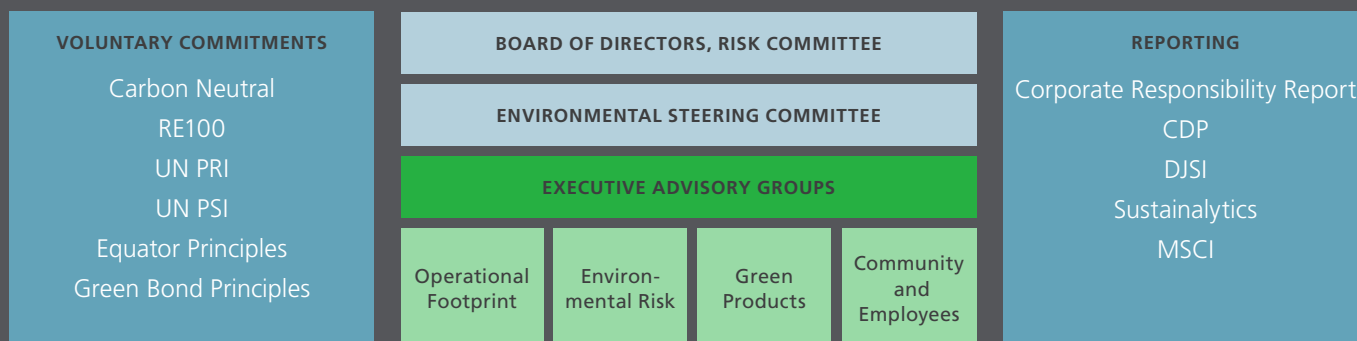
Our Approach: Create value by embedding an environmental perspective into our business



Environmental Governance

Environment is integrated into TD's [Enterprise Risk Management Framework](#). Our environmental governance structure ensures alignment with the Framework and incorporates Board and senior executive oversight as well as direct involvement of business segment leaders. A member of the bank's Senior Executive Team is designated as TD's Senior Executive Environmental Champion. Our actions are outcome-focused, with results measured through external reporting and compliance with our voluntary commitments.

We compare our environmental performance to a number of external benchmarks: CDP, the Dow Jones Sustainability Index, Sustainalytics, the FTSE4Good, the Ethibel Sustainability Index and also the Canadian [Federal Sustainable Development Strategy](#) which aligns with the United Nations Sustainable Development Goals.



For more information on our benchmarking indices, see page 60.

4.1 Climate Change

EC-2 G4-14 FS-1 FS-3

Why it's Material to TD

Climate change is a megatrend that has wide-ranging and long-term implications for global economies. Climate change-related risk has the potential to affect virtually every area of business in the financial services sector. But there are also opportunities to support our customers in the transition to a lower-carbon economy and to enhance the resilience of man-made structures.

Management Approach

Our Climate Change Position and Strategy:

We identified climate change as a megatrend in 2009, and we made the choice to lead. We have taken a comprehensive long-term approach by embedding considerations of climate-change-related issues and opportunities throughout our entire business. Our strategy addresses both key elements of climate change: Mitigation and Adaption.

The Paris Agreement (December 2015) triggered many international and national initiatives aimed at "holding the increase in global average temperature to well below two degrees Celsius above pre-industrial levels."

Key initiatives relevant to TD's business include:

- Establishment by the Financial Stability Board of an industry-led [Task Force on Climate-related Financial Disclosures](#) with a mandate to develop a set of voluntary climate-related financial risk disclosures
- Canada-wide greenhouse gas (GHG) emissions reduction targets and a commitment to phase out coal-powered electricity by 2030
- Canadian federal and provincial carbon-pricing policies and greenhouse gas reduction targets
- Development of methodologies for deriving company-specific science-based targets for greenhouse gas reduction

In 2017, we will commence our new five-year environmental strategy to better align TD's policies, positions and goals with the new initiatives and the goals of the Paris Agreement.

Performance in 2016

Mitigation

In 2016, we continued to reduce our direct and indirect GHG emissions:

- Remained carbon-neutral, continuing to reduce our enterprise greenhouse gas emissions and procuring renewable energy credits (RECs) to account for 100% of the electricity we used.
- Continued to green our supply chain by becoming the first Canadian company to join the [CDP supply chain program](#), as well as becoming a signatory to the [Corporate Renewable Energy Buyers' Principles and Renewable Energy 100 \(RE100\)](#).

Mitigation Reducing GHG emissions

- Green buildings
- Generating renewable energy through on-site solar panels
- Purchasing RECs and carbon offsets
- Energy efficiency initiatives
- Sustainable transportation

Adaptation Increasing resilience

- Enhancing risk management
- Innovation in our insurance business
- Building and infrastructure retrofits
- Supporting community resilience projects, green infrastructure and enhancement of natural capital



Analyst Corner

Environmental Governance

TD's Environmental Policy

2016 Carbon Neutral Schedule

2016 Environmental Impact Table

2016 Natural Capital Valuation

2016 Green Products

4.1 Climate Change 4.2 Responsible Finance 4.3 Responsible Investing 4.4 Eco-Efficiency

- Grew our low-carbon financing portfolio and took steps to position ourselves for future growth, booking a year-over-year increase of \$2.6 billion and bringing our total to \$10.8 billion since 2006.
- Continued to grow our green product business: TD Auto Finance offered preferred pricing to auto dealers for electric and hybrid vehicles, complementing our green insurance offering, which grew 7% in 2016.
- Supported government-led carbon policy and actions, joining the [Carbon Pricing Leadership Coalition](#) as a founding member of this Canadian government-led initiative.
- Provided thought leadership on carbon policy through TD Economics reports and through support of important third-party initiatives, including the Conference Board of Canada project Greenhouse Gas Emissions: Canadian Economic and Social Implications of Deep GHG Reductions, Canada's Ecofiscal Commission, and Pembina Institute initiatives on green buildings encouraging climate action.

Adaptation

The impacts from ongoing climate change are highly variable across our North American footprint. They include rising sea levels and increased potential for flooding, as well as increased frequency of severe weather events, drought, loss of permafrost and crop damage. We continue to study and learn how to adapt to climate change.

TD Insurance, which leads our efforts in this area, made considerable progress in 2016:

- As a member of the [UNEP-FI Principles for Sustainable Insurance \(PSI\)](#), TD Insurance [reported on its progress](#) in embedding the Principles into its risk management approach.

- **We continued to fund research and support collaborative approaches aimed at improving disaster resilience** through leading industry associations and research institutions such as the Institute for Catastrophic Loss Reduction (ICLR), the Atmospheric and Environmental Research (AER) Emerging Risk research program and the Alberta Severe Weather Management Society and actively participated on the Insurance Bureau of Canada's Natural Catastrophe Committee.
- **We introduced resilience-related insurance discounts for customers** in the Province of Alberta who choose stronger and longer-life-expectancy roofing materials to reduce damage from extreme weather events such as hailstorms.
- **We deployed Mobile Response Units** to provide disaster relief to two cities experiencing catastrophic incidents: Fort McMurray, Alberta, in the wake of the massive wildfire in May (see case study on page 3), and Calgary, following the major hailstorm in late July.



TD's Low-Carbon Journey (PDF)

See our progress since 2010.

AWARDS



TD listed as **top-scoring Canadian bank** by CDP in 2016¹

¹ With a score of A-, TD placed in the leadership category of performance. TD is the top scoring Canadian bank among the Big 5 Banks: Bank of Montreal, Canadian Imperial Bank of Commerce, Royal Bank of Canada and Bank of Nova Scotia.

CASE STUDY

Green Infrastructure Helps City of Miami Increase Flood Protection



Research shows that people in Miami consider rising tides to be the number one environmental issue they face. Flooding occurs in the coastal city on a regular basis – a decades-old problem that's getting worse as a result of a changing climate.

We are supporting an innovative program in Miami to increase protection from rising sea levels. In 2016, TD provided support to The Trust for Public Land to install five green Fitness Zones in Miami-Dade County parks, which provide flood protection zones and accessible outdoor gyms for community use.

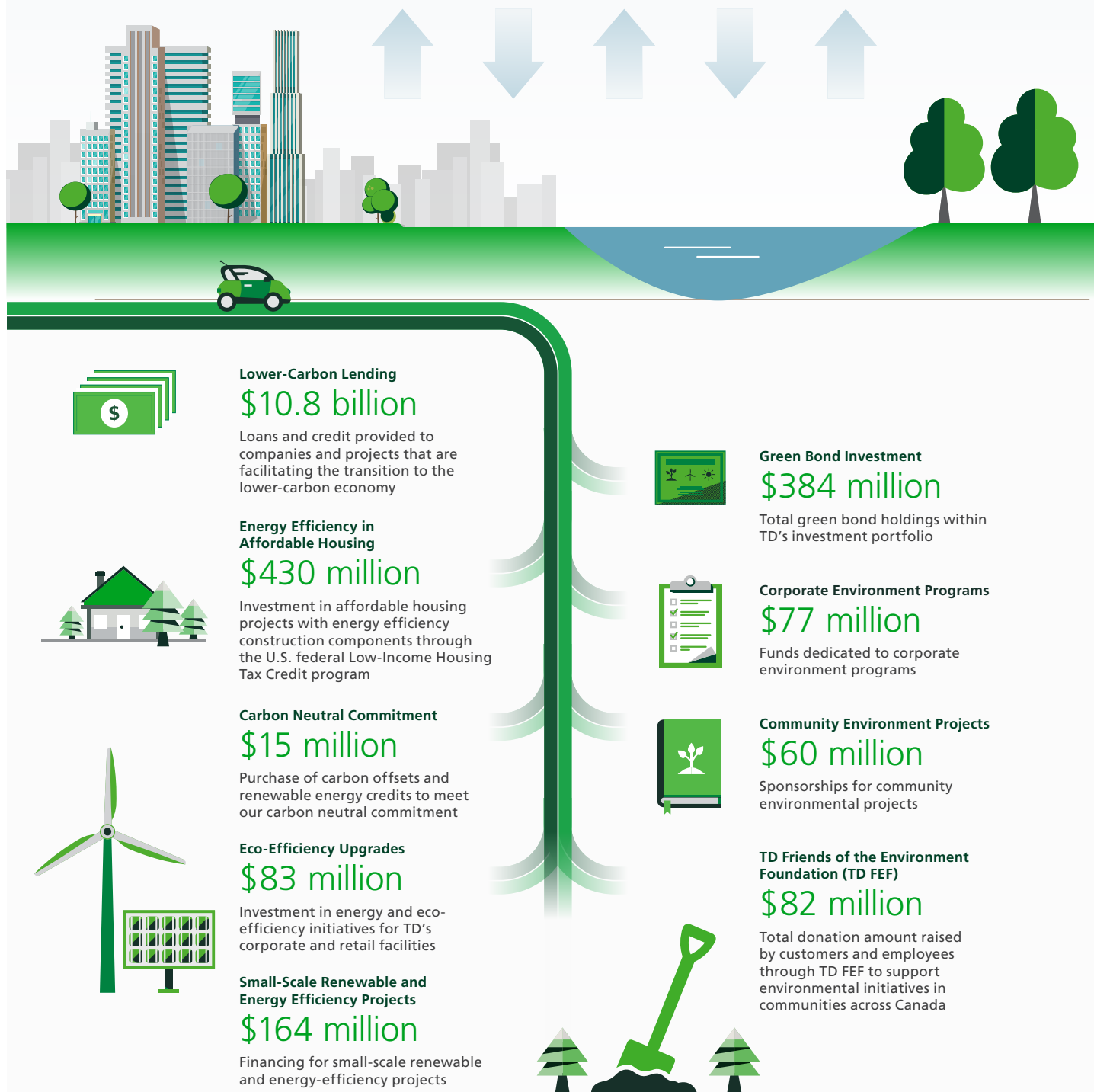
Water conservation and flood protection features include:

- Rain gardens to absorb excess water
- Newly planted trees that provide shade and cool the air
- Drought-tolerant native plants
- Permeable pavement to reduce flooding and surface temperatures

TD's Contribution to the Lower-Carbon Economy 2006-2016

\$12 billion

TOTAL CONTRIBUTION



4.2 Responsible Finance

G4-14 FS-1 FS-2 FS-3

Why It's Material to TD

One of our greatest opportunities to facilitate environmental progress in society is through lending and banking solutions. As a responsible bank, we need to align with commitments made by our governments to support the growth of the North American economy while also promoting the transition to a lower-carbon world.

Management Approach

TD's enterprise-wide business strategy is designed to provide better returns to our investors for the risk undertaken. Central to this strategy is our core business focus on retail and commercial banking. Our lending portfolio is retail-focused with more than 69% derived from North American personal and residential lending.¹ We direct 93.5% of our lending to business sectors that have low direct greenhouse gas emissions and low impact on water resources. Approximately 6.5% of our total lending portfolio has been to sectors that we have identified as environmentally sensitive.

We manage environmental and social (E&S) risk based on a life-cycle approach that begins well before our formal engagement with a client and continues throughout our relationship.

- Our list of prohibited transactions includes environmental criteria.
- TD's E&S Risk Policy for Non-Retail Credit Business Lines applies to 100% of our non-retail lending activities: general corporate-purpose, project and fixed-asset financing. Our risk management procedures include a review of the policies, processes and performance of the borrower.
- TD's lending approach is relationship-based and our wholesale banking focus is on general corporate purpose loans. A small portion of TD's lending is project finance, which means that only a few loans qualify as Equator Principle projects each year. However, since 2012 we have embedded the Principles into our E&S Risk Policy, to ensure a consistent approach and an additional level of protection.

- For environmentally sensitive sectors, we employ enhanced sector-specific due diligence. Where we believe that there is potential for significant risk, we insert additional conditions in order to mitigate that risk and, in some cases, may decide not to pursue the relationship further.

Our North American focus means that we operate primarily in countries with robust, enforceable environmental regulatory regimes. Nonetheless there are emerging environmental issues that are not yet fully captured within current regulations, including resilience, cumulative effects and free, prior and informed consent (FPIC) of Indigenous peoples. We have incorporated review processes related to these issues into our due diligence reviews.

TD has a long-standing commitment to advancing the practical implementation of FPIC. Our work in collaboration with multi-stakeholder groups to advance good practice in this area within the Canadian context has produced several important reports.

Performance in 2016

- We provided \$2.6 billion in low-carbon financing in 2016, bringing our cumulative total to \$10.8 billion since 2006.
- 6.5% of our non-retail lending activities were with companies that we have designated as environmentally sensitive based on potential for direct greenhouse gas emissions and impact on water resources (see Total Lending by Sector chart on page 38).
- 287 deals were subject to enhanced due diligence through TD's environmental and social credit risk process.
- TD continued to support good practices in the implementation of FPIC by project proponents, including sponsoring the 2016 report "Free, Prior and Informed Consent in Canada: Towards a New Relationship with Indigenous Peoples" by Torys LLP.
- We continued to grow and diversify our retail green product offerings.

TD's Energy and Environment Position

The Paris Agreement in 2015 triggered numerous government actions aimed at driving the transition toward a lower-carbon economy while continuing to support traditional fossil fuel industries that are key to the North American economy. TD is involved with all aspects of energy supply, and in 2016 we updated TD's Energy and Environment Position to reflect our approach to balancing economic and environmental interests within the rapidly changing energy landscape.



Analyst Corner

TD's Environmental Policy

TD's Environmental and Social Risk Process and Prohibited Transaction List

TD's Energy and Environment Position

2016 Carbon and Water Risk Assessment

2016 Equator Principles Reporting

¹ See Table 23 in TD's 2016 Annual Report, page 44.



100%

of non-retail lending transactions
screened against TD's E&S Credit
Risk Management process



\$2.6 billion

of non-retail lending in support of
the lower-carbon economy in 2016



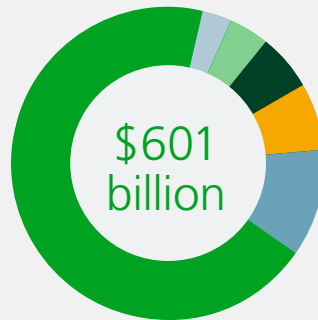
287

transactions subject to enhanced
sector-specific due diligence

Read TD's Statement
on the Dakota
Access Pipeline.



TD's Total Lending by Sector¹



Sector

Personal and Residential	69%
Retail and Service	11%
Manufacturing and Transport	7%
Commercial Real Estate	6%
Natural Resources	4%
Government	3%

Environmentally Sensitive Lending

(approximately 6.5% of total lending)

Forestry	3%
Mining	7%
Power and Utilities	11%
Pipelines, Oil and Gas	18%
Agriculture	17%
Food and Beverage	15%
Automotive	29%

TOTAL
\$39 billion

Deals subject to enhanced due diligence by sector in 2016

Sector	Number of Reviews	Percentage
Forestry	21	7%
Mining	30	11%
Pipelines, oil and gas	184	64%
Thermal power	52	18%
Total enhanced due diligence	287	100%

Equator Principles

In 2016, TD provided funding for one qualifying category "A" Equator project: the Dakota Access Pipeline.²

Project finance transactions assessed under the Equator Principles

Sector	Region	EP Category	Number of Transactions		
			2016 ²	2015	2014
Mining	—	—	0	0	0
Infrastructure	Americas	A	1	0	0
Oil and gas	—	—	0	0	0
Power	—	—	0	0	0
Others	—	—	0	0	0
Total			1	0	0

¹ See Table 23 in TD's 2016 Annual Report, page 44.

² See TD's 2016 Equator Principles Reporting for further details.

For more information see Appendix: ESG Performance

4.3 Responsible Investing

Why It's Material to TD

Institutional and retail investors are increasingly demanding greater disclosure of environmental, social and governance (ESG) performance of their investments. This demand is driving capital market innovation and growth in sustainable investing products. For example, over US\$81 billion in green bonds were issued globally in 2016.

Management Approach

TD Asset Management (TDAM) is one of Canada's largest asset managers, managing more than \$300 billion in assets on behalf of retail and institutional investors.

We consider management of ESG risks within our assessment of the management quality of companies in which we invest.

TDAM has been a signatory to the [UN Principles for Responsible Investment \(UN PRI\)](#) since 2009. We were the first asset manager of a major Canadian financial institution to make this commitment and are still one of a relatively small number of mainstream asset managers to do so. Our commitment to ESG integration extends beyond the UN PRI. We also participate in [CDP](#) (formerly the Carbon Disclosure Project), including the CDP Water Program and the CDP Forests Program, and the Canadian Coalition for Good Governance.

We employ a three-pronged approach to assessing company performance through:

- **Investment analysis:** We integrate ESG factors directly into our investment analysis by incorporating ESG considerations in our equity and credit research. We maintain a proprietary ESG risk management matrix on which we score every company in which we invest.
- **Engagement:** We engage directly with companies across a broad range of industries, meeting with company leaders to understand the potential impacts of ESG risks on their business and the processes in place to manage those risks. Our discussions cover the management of environmental and socially sensitive issues such as fuel efficiency, safety, water treatment and carbon emissions.
- **Proxy voting:** Exercising our voting rights as shareholders is one of the key ways we can positively influence environmental and social practices for the companies in which we invest.

2016 Performance Highlights

- We continued to meet our commitments as a signatory to UN Principles for Responsible Investment. Based on the 2015-16 UN PRI annual assessment report, TDAM continued to be above or in line with our peers globally with respect to screening investments for ESG considerations.
- We continued to support ESG-related shareholder proposals and engaged with companies across a broad range of industries.
- Morningstar², a leading investment research firm, recently initiated sustainability ratings for mutual funds. Twenty-five per cent of funds managed by TDAM were rated high in terms of sustainability (as at March 31, 2016), the highest percentage among Canadian investment managers at the time.



Analyst Corner

TD's Environmental Policy

2016 Green Bond Assurance Statement

Sustainable Investing Approach

TDAM RI Transparency Report

TDAM Disclosure on Proxy Practices

100%

ESG screening of investments.¹

149

Shareholder proposals supported relating to ESG issues.

25%

Of funds managed by TDAM rated high in terms of sustainability (Morningstar).²

¹ Excludes Epoch Investment Partners Inc.

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Examples of TDAM Funds Rated High in Sustainability by Morningstar¹

Name	Category
TD Balanced Income	Canadian Neutral Balanced
TD Canadian Equity	Canadian Focused Equity
TD Diversified Monthly Income	Canadian Equity Balanced
TD Dividend Income	Canadian Equity Balanced
TD Monthly Income	Canadian Neutral Balanced
TD North American Dividend	North American Equity
TD Strategic Yield	Global Neutral Balanced
TD Tactical Monthly Income	Tactical Balanced
Epoch Global Shareholder Yield	Global Equity

**North American Socially Responsible Investing (SRI) Portfolio**

TDAM manages a North American SRI Portfolio for TD Private Investment Counsel. The portfolio consists of best-in-class sustainability leaders (80–100% of portfolio) and emerging environmental specialists (up to 20% of portfolio).

- The best-in-class segment seeks to invest in companies that are leaders relative to their peers in the areas of environmental impact, corporate governance and social responsibility.
- The environmental specialist segment identifies global leaders in the areas of structural environmental growth: water, resource efficiency and alternative energy.

One example of a best-in-class segment company is WhiteWave Foods, which was one of our biggest holdings in 2016, returning 43% on the success of its large brands. As the chart below demonstrates, socially responsible investments can have returns comparable to those of traditional funds.

TD continues to play an important role in raising awareness of ESG. We conducted a study of the impact of electric vehicle adoption on global oil consumption, which was featured on **MoneyTalk television**. The study found that electric vehicle adoption does not pose a genuine disruption threat to near-term oil consumption, due to low power density and high battery costs; however it could have a greater impact over the medium to longer term. The greater near-term impact on oil demand relates to the increasing fuel economy of new vehicles, driven by government regulation and technology.

Performance Trends: TD's SRI Portfolio

Performance (Gross) ¹							
	1 Mo.	3 Mo.	YTD	1 Yr.	2 Yr.	3 Yr.	5 Yr.
SRI Fund	1.76%	3.54%	14.00%	14.00%	9.96%	11.61%	15.00%
Benchmark ²	1.66%	5.15%	14.18%	14.18%	9.76%	12.07%	14.31%
Difference	0.10%	-1.62%	-0.18%	-0.18%	0.20%	-0.46%	0.69%

¹ As of December 31, 2016.

² Benchmark: 50% S&P/TSX Composite TR – C\$, 50% S&P 500 Net Total Return – \$CAD.

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Moving the Dial on Green Bonds

We **issue**, **underwrite** and **invest** in green bonds, as well as educate others about the benefits.

Issuing



\$500 million

TD Green Bond issued in 2014 (the first in Canada by a commercial bank).

Institutional Investors

Oversubscribed, the TD Green Bond attracted several SRI funds and 12 new investors to the bank.

Access to Retail Investors

The TD Green Bond was a top 10 holding of the TD Canadian Money Market Fund in 2016.

Best-in-Class Framework

Created in 2016 for issuing and managing TD green bonds

Member of the Green Bond Principles¹

Underwriting



\$6.5 billion

TD's participation in green bond underwriting since 2010.

Example:

\$750 million issue

Ontario green bond to support eight low-carbon infrastructure projects.

TD is playing an integral role in the development of the green bond market, which is helping to finance the transition to the lower-carbon economy.

Investing



\$384 million

Invested in green bonds since 2014 by TD's Treasury Group as part of managing the bank's investment portfolio. This includes \$260 million purchased in 2016.

TD Bank Group Green Bond Investment Statement

We believe that incorporating environmental considerations as one of the many facets of our investment decision-making contributes to the overall integrity of the economy and long-term sustainability of the environment. As such, we intend to allocate a portion of new bond purchases in our Treasury investment portfolio to green investments that align with our investment strategy.



Analyst Corner

2016 Green Bond Use of Proceeds

¹ Through the International Capital Market Association (ICMA).

4.4 Eco-Efficiency

EN 6

Why It's Material to TD

Reducing the direct impact of business operations is fundamental to being a credible environmental leader. Eco-efficiency has tremendous business value, not only in cost savings, but also as an innovation platform. The experience gained from understanding the risks and return on investment in eco-efficiency initiatives can provide valuable insights about the development of innovative green product offerings.

TD has an enterprise-wide Operational Footprint Environmental Steering Committee that drives our eco-efficiency performance. Member businesses include: Enterprise Real Estate, Strategic Sourcing, Enterprise Technology Solutions and the ATM (automated teller machine) channel.

Performance in 2016

In 2016, we maintained our long-term focus on improving the environmental performance of our facilities and business operations.

- Expanded our reporting of Scope 3 emissions to account for emissions in our supply chain
- Invested \$83 million in eco-efficiency initiatives since 2010
- Invested over \$8 million in carbon offset projects across our footprint since 2010

Detailed environmental performance tables can be found in the Appendix: ESG Performance.

Greenhouse Gas Emissions

- **Carbon emissions:** Absolute GHG emissions have decreased by 24% since 2008 (Scope 1 and 2).
- **Internal carbon price:** \$8/tonne CO₂e.
- Despite 23% growth in occupied space, since 2008 TD's total GHG emissions from operating our business decreased by 25%.
- GHG emissions per dollar of revenue have decreased by 66%, since 2008 (Scope 1 and 2).
- **Achieved carbon neutrality:**
 - *Energy reduction:* Saved 9.5 million kWh through our 2016 energy reduction initiatives, saved over 3000 tonnes of CO₂e.
 - *Offsets:* Over \$680,000 invested in carbon offset projects across our footprint in 2016.
 - *RECs:* Purchased RECs for 100% of our emissions from electricity, investing \$840,539 in renewable projects in 2016.

Management Approach

As our geographical and physical presence continues to grow, we strive to continually improve the eco-efficiency of our facilities and business operations. We collect and review data at least annually within our Environmental Management System. In addition to achieving year-over-year carbon neutrality, which we have maintained since 2010, we have developed multi-year metrics and targets to be achieved by 2020:

- Zero absolute increase in GHG emissions, energy and water use relative to a 2015 baseline
- Zero decrease in waste diversion by 2020 relative to a 2015 baseline (for sites that have complete waste stream data)
- 40% reduction in paper use relative to a 2010 baseline

Greenhouse Gas (GHG) Emissions

	Units	2016	2015	2014	2008
Scope 1 ¹	tonnes CO ₂ e	47,150 ✓	55,557 ✓	57,811 ✓	48,443
Scope 2 ²	tonnes CO ₂ e	131,645 ✓	150,064 ✓	166,628 ✓	186,906
Total Scope 1 & 2 (Location Based)	tonnes CO ₂ e	178,796 ✓	205,621 ✓	224,439 ✓	235,349
GHG emission intensity (per square foot)	kg CO ₂ e/sq ft	7.17	8.19	9.1	12.26
GHG emission intensity (per million dollars revenue)	tonnes CO ₂ e/\$m	5.21	6.54	7.56	16.04

¹ Scope 1 emissions include direct emissions from heating and cooling, leased aircraft and corporate fleet.

² Scope 2 emissions include indirect emissions from electricity, heating and cooling.

Analyst Corner

Appendix: ESG Data

TD's Environmental Policy

2016 Carbon Neutral Schedule

2016 Paper Schedule

2016 Energy and GHG Reduction Initiatives

2016 Environment Goals and Scorecard

REC and Offset Location Map

CASE STUDY

Supporting the City of Vancouver's Greenest City Action Plan

In 2016, TD collaborated with Bullfrog Power on a first-of-its-kind renewable energy initiative through which we are addressing 100% of the energy footprint of our branches in Vancouver, as well as a portion of business-related travel in the city.

The initiative saw TD purchase Bullfrog Power's green electricity, green natural gas and green fuel, which allowed us to address the full range of our emissions footprint.

"This collaboration provides an innovative yet simple model for how organizations can address 100% of their total energy footprint and support the development of new renewable energy projects," says Bullfrog Power CEO Ron Seftel. "I commend TD for its continued leadership in the transition to a low-carbon economy."

Energy, Water, Waste and Paper

- 7% reduction in energy use
- 1% decrease in our U.S. water use due to smart irrigation installations
- 8% of waste data audited for reporting accuracy
- 23% reduction in paper use, which brings us to a 35% reduction since 2010

Green Buildings

We continue to improve the environmental performance of our building portfolio, which spans over 25 million square feet and consists of more than 2,600 facilities, including retail and corporate space and data centres. Highlights of our efforts last year include:

- We added 21 LEED certifications, bringing the total TD owned LEED-certified spaces to 198 (5% of total).
- Additionally, landlord-owned LEED-certified TD locations increased by 33, bringing the total LEED-certified spaces we occupy to 231 (18% of total).
- We are committed to LEED certification for new retail locations we build in Canada and the U.S.
- We updated our existing lease provisions to improve building performance efficiency, occupant comfort and landlord collaboration across our North American corporate and retail portfolio.
- A TD workspace in Toronto received the world's First WELL Gold Certified™ project under WELL v1 (see case study on page 31).

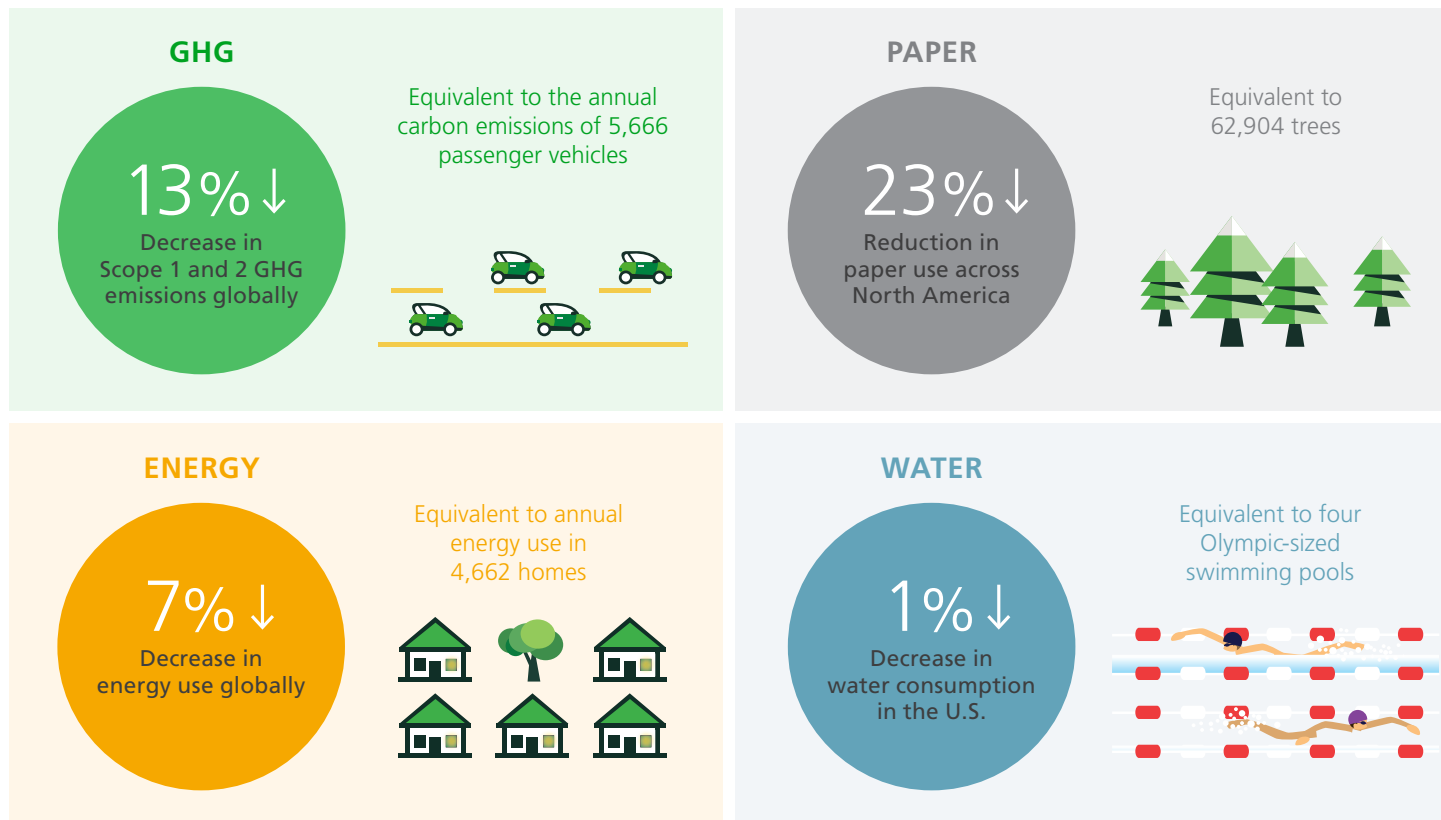
AWARDS


TD Centre's first LEED commercial interiors certification was given the **REmmy Corporate Citizen Award**

Paper Usage	Units	2016	2015	2014	2010
Total paper	Tonnes	9,800	12,689	13,738	15,159
Recycled content					
Total % post-consumer recycled content	%	13%	11%	11%	—
Certified sustainable					
Total % certified (FSC/SFI)	%	84%	85%	84%	—

For more information see Appendix: ESG Performance

2016 Eco-Efficiency Performance



For more information see Appendix: ESG Performance

Looking Ahead: Canada's 150th Birthday

In celebration of Canada's 150th birthday, TD is launching the [TD Common Ground Project](#), a national program committed to connecting communities through green spaces. Across the country, in more than 150 communities, we'll be improving neighbourhood parks and green spaces, supporting locally run environmental programs and building outdoor classrooms. This project represents a celebration of the way we live now – and a legacy for the future. [#TDCommonGround](#)



CASE STUDY

Engaging Colleagues and Communities

Employees

Independent surveys identify TD colleagues as among the most environmentally engaged of any large company. Through our employee engagement strategy we create environment-focused programs for our employees including individual Green Team activities and TD Green Nation, an interactive site where employees pledge and record green acts and track their environmental impact.

Communities

Our community environmental initiatives support small and large organizations across North America and Europe. Aligned with our environmental strategy, our community programming focuses on three key areas: environmental education and awareness, enhancing urban green spaces and biodiversity and protecting natural areas and restoring habitat. Here are highlights from 2016:

Canada

Established in 1990, **TD Friends of the Environment Foundation (TD FEF)** is one of the biggest community environmental foundations in Canada. In 2016, TD FEF provided \$5.5 million to more than 1,100 projects and had a donor base of nearly 180,000 supporters.

U.S.

Through our **Rooted In** initiative we:

- Became the first corporate environmental sponsor of the New York High Line.
- Are working with community organizations to green over 120 neighbourhoods across five NYC boroughs.
- Are helping to increase each Philadelphia neighbourhood's tree canopy by 30% and in 2016 gave away 3,000 trees to community members.
- Are partnering with The Trust for Public Land to install green Fitness Zones in five Miami parks over three years.

North America

Through the **TD Forests** program, we worked with the Nature Conservancy of Canada and The Nature Conservancy in the U.S. over the past five years to help protect over **60,000** acres of critical North American forest habitat in 27 properties.



87%

of employees agree that TD is doing the right things to make a positive impact on the environment.

TD Green Nation – 2016 Impact

Green acts accomplished:
130,232

Carbon saved:
56,275,230 kg of CO₂e

Trees saved:
2,009,829



TD Tree Days – 2016 Impact

Tree planting events: **194**

Trees planted:
55,000+

Volunteers:
9,000+

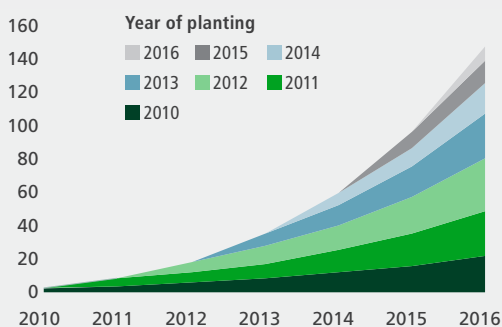
TD Tree Days

TD Tree Days is a grassroots community tree-planting program that we run every year in communities across Canada and in the U.S. and Europe. It gives our employees and their families, customers and community partners the opportunity to demonstrate forest stewardship.

Since TD Tree Days began in 2010, over 285,000 trees and bushes have been planted. As they grow, they sequester more and more carbon dioxide (CO₂). In 2016, roughly 140 tonnes of CO₂e is estimated to have been sequestered by the trees and bushes planted through TD Tree Days since 2010.

TD Tree Days Led to Growing Carbon Sequestration

Annual carbon sequestration, tonnes



Source: TD Bank Group.

For more information see 2016 Natural Capital Valuations.

5.0

Community

Enriching our local communities is part of our purpose at TD. And there are many examples of how we bring that purpose to life – from our philanthropic investments and support for community capacity building to sourcing responsibly.

Material topics in this chapter:

Strategic Philanthropy

Community Capacity Building

Economic Value

Highlights

\$102.8 million

In community investment.

127,888 hours

Volunteered by TD employees.¹

441,000 people

Reached through financial education programs sponsored by TD.

87%

Employees agree that TD is doing the right things to make a positive impact in local communities.

¹ As logged on the TD Volunteer Network website

5.1 Strategic Philanthropy

FS EC-1 S0-1

Why It's Material to TD

We know that TD can be successful only if the communities in which we operate are vibrant places to live and work. Employees, customers and other stakeholders look to TD to play an active role in helping address important community issues, especially in areas related to our business.

Management Approach

To create the greatest social, economic and environmental impact, we channel our financial contributions in TD's priority focus areas:

- Financial education
- Affordable housing in the U.S.
- Environmental stewardship
- Creating opportunities for young people

These priorities were informed by customer and employee feedback and directly align with TD's business drivers. For example, it's vital that we have an educated customer and employee base, that we operate in stable, resilient neighbourhoods and that we work to minimize risks of climate change. In each focus area, we also look for opportunities to promote inclusion and diversity.

We recognize the strong link between volunteerism and employee engagement and the success of local communities. That's why we support employee involvement in community service and provide employees with many opportunities to share their talents – through time off for community work and running our own campaigns, such as TD Tree Days and the TD Volunteer Network.

Governance

In Canada, our Corporate Citizenship Council is accountable for TD's community relations strategy, while the Vice President of Community Relations is responsible for its day-to-day implementation. We have regional community relations managers everywhere we operate who manage local donation budgets in response to community needs. We also have a Financial Education Council whose objective is to engage the organization on the subject of financial education and provide proactive financial education to customers and community members at every life stage.

Performance in 2016

Corporate Giving

TD donated a record \$102.8 million to support non-profits that are strengthening our communities across North America and the U.K. This is up from \$92.5 million in 2015 and exceeded our charitable giving targets. Our two grant-making foundations continue to make a positive impact:

- In the U.S., the **TD Charitable Foundation** donated US\$19.2 million in the communities we serve from Maine to Florida, up from US\$16.6 in 2015. Established in 2002, the foundation has given out more than US\$167.3 million to non-profits.
- In Canada, the **TD Friends of the Environment Foundation (TD FEF)** – a national charity that supports grassroots environmental initiatives – distributed \$5.5 million to 1,100 projects. Besides funding through TD FEF, we also made corporate donations of \$9.3 million to community environmental projects. For more information, see the [Environment](#) section.



Analyst Corner

London Benchmarking Group Canada Summary

Funding Guidelines in Canada

Funding Guidelines in the U.S.

2016 Targets	Rating	2016 Result	2017 Targets
Maintain our charitable giving at or above the 1% target set by Imagine Canada and the Giving USA Foundation	●	Canada: 1.2% U.S.: 1.0%	At or above 1%
55% of giving is applied to TD's giving priorities	●	Canada: 56.9% U.S.: 59.0%	55%
15% of giving is applied to inclusion and diversity (Canada only)	●	25.9%	15%
Increase number of employees across North America registered in the TD Volunteer Network by end of calendar year	●	30,326	Increase year over year

● Met ● On track ○ Did not meet

5.1 Strategic Philanthropy 5.2 Community Capacity Building 5.3 Economic Value

FS-13 FS-16

Volunteering

TD has a very active volunteer force:

- There were 30,326 registered North American users, up 13% from the previous year, in our TD Volunteer Network at the end of 2016.
- Employees volunteered 127,888 hours in their communities, logged on the TD Volunteer Network website, up from 118,971 hours in 2015.
- We have approximately 650 volunteer champions who help to manage fundraising events and community programs that engage employees across the bank. The largest of these is the annual employee giving campaign administered by the United Way, with TD employees raising \$18.4 million for registered charities across North America last year.

Financial Education

While the call for improved financial knowledge is not new, its urgency has increased. Numerous studies show that the need for strong financial skills has never been higher. That's why we continue to build upon TD's existing financial education activities, collaborate with non-profits that work in the field and actively promote volunteer opportunities through which employees can educate community members about money matters. Our efforts focus on underserved or disadvantaged communities – including low-income, youth, Indigenous peoples and newcomers.

In 2016, TD invested over \$12 million in North America to support community financial education programs, which helped more than 441,000 people gain the knowledge, skills and confidence to manage their finances responsibly.

For more information, please see page 18 of the Responsible Banking section.

Canadian Highlights

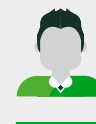
- **Financial Literacy Month:** TD expanded its participation in Financial Literacy Month in Canada by launching a new suite of educational tools and resources for parents, teachers and youth. We also held customer connection events at branches, where we handed out thousands of savings calculators and Money Fun activity books.
- **Money Matters:** We are a major supporter of Money Matters, a free financial education program for adult learners developed by ABC Life Literacy Canada in partnership with TD. The success of the program, offered since 2011, has led to different versions customized for newcomers, Indigenous peoples and post-secondary students. In 2016, TD employees volunteered over 89,000 hours teaching the various programs to 2,918 participants.
- **Classroom Connection:** In partnership with the Toronto Star newspaper, we expanded the [Classroom Connection](#) financial literacy program to include educational content for every grade level. Our support enabled over 202,000 students and teachers to receive

Employees making an impact in 2016



\$18.4 million

Raised for charities across North America through TD's United Way employee giving campaign. In addition, corporate United Way donations were \$6.3 million.



729

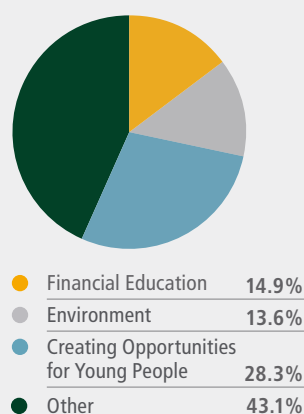
Volunteer grants worth \$461,207 made by TD to registered charities where employees volunteered 40 or more hours.

Performance Trends: Corporate Giving¹

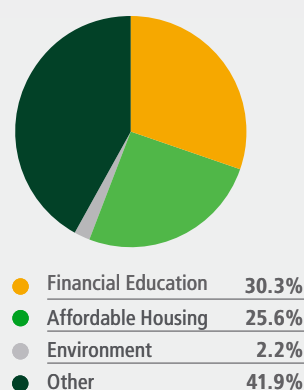
	2016	2015	2014
Canada (millions of Canadian dollars)	68.2	62.9	56.7
U.S. (millions of U.S. dollars) ²	25.7	29.6	22.3
TOTAL (millions of Canadian dollars)	102.8	92.5	82.0

Breakdown of Our Giving by Focus Area

Canada



U.S.



¹ All amounts converted into Canadian dollars using Bank of Canada exchange rates. Beyond the countries listed in the table, TD does not make donations in other countries where we operate due to TD having a very small market presence in those regions. The total giving amounts reported do not include in-kind donations, program management costs (i.e., salaries of the community relations team), marketing sponsorships, employee donations or the value of hours volunteered by employees. For the total value of our contributions, please refer to the summary provided by [London Benchmarking Group Canada](#), which performs an annual independent audit of our community investment.

² Includes \$25.8 million (US\$19.2) from the TD Charitable Foundation.

5.1 Strategic Philanthropy 5.2 Community Capacity Building 5.3 Economic Value

free financial literacy resources last year. The program won first place in the International News Media Association (INMA) Global Media Awards in 2016.

- **Thought Leadership:** Our CEO participated in an Economic Club of Canada breakfast panel to discuss "Financial Literacy and the Inclusive Economy." TD Economics published a special research report, "Financial Literacy: Millennials are a wake-up call to build a strong foundation." The report recommends that financial literacy begin at an early age, with financial education incorporated into the K-12 curriculum competencies and built up each year, and that investments be made in training teachers to teach about money.

U.S. Highlights

- **TD Bank Adult Specialized Financial Education:** This initiative for homebuyers and small business owners, predominantly in low-income communities in partnership with local non-profits, brings TD Bank volunteers who have particular areas of expertise into the communities we serve. Small Business Lenders assist entrepreneurs with all aspects of running a successful business while Mortgage Loan Officers work directly with prospective homeowners.
- **TD Bank Learning Center:** We partnered with EverFi Inc., a leading technology education company, to launch the TD Bank Learning Center, an online portal that offers digital learning modules on financial topics of concern to people of all ages. The 10-minute modules, in English and Spanish as well as closed captioning, cover topics such as credit scores, home ownership, identity protection, insurance, mortgages and taxes. Since the launch in October 2016, over 1,500 learners have registered and completed lessons right from their own device.
- **National Foundation for Credit Counseling (NFCC):** Through our partnership with the NFCC, we sponsored 110 adult financial education seminars for approximately 3,170 people in Boston, New York City, Connecticut, Philadelphia, Metro Washington, D.C., South Carolina, New Jersey and Florida. NFCC member agencies, with assistant instructors from TD Bank, taught the free seminars, which helped participants learn about budgeting, understanding credit reports and scores and preparing for home ownership. In 2017, we're expanding this partnership to reach more individuals in need of this support.

CASE STUDY



There's a school in Philadelphia that's not like other schools. Since 1992, YouthBuild Philly has been giving local at-risk young adults a second chance by reconnecting them with their high school education.

We partnered with YouthBuild Philly in 2016 on two financial education initiatives:

- TD employees conducted a day-long workshop at YouthBuild to help the students learn about personal finance topics and careers in banking and how to use our new TD Bank Learning Center. Our local bank representatives visit the YouthBuild Philly campus regularly to provide advice and help build confidence in the students as they enter the adult world of personal finance. Watch the video.
- YouthBuild Philly students visited TD University for a women's conference in partnership with our Corporate Women in Leadership and Minorities in Leadership councils. There, the young women networked with female bank leaders and learned about job-seeking in the financial services industry.

"The TD Bank Learning Center is a great resource to help young people understand their financial options and make smart choices that will help them achieve upward mobility."

AMEEN AKBAR, DIRECTOR OF STUDENT LIFE FOR YOUTHBUILD PHILLY

2016 Target	Rating	2016 Result	2017 Target
Help 250,000 participants improve financial literacy through a TD-sponsored program.	●	Over 441,000 people reached across North America	500,000 participants

● Met ● On track ○ Did not meet

5.2 Community Capacity Building

FS-14 FS-7 EC-7 EC 8

Why It's Material to TD

TD works to support and expand the economic and social capacity of our communities. Healthy communities that are sustainable over the long term are built on effective community organizations and institutions, skilled people, local leadership and strong economies.

Management Approach

As a major financial institution, we are able to use our resources, expertise and core business operations to:

- Enhance the organizational capacity of non-profits.
- Enable all members of the community, especially underserved or disadvantaged groups, to take greater control of their lives.

Performance in 2016

Strengthening the Capacity of Non-Profits

We recognize that to be effective, many non-profits need support to develop their staff and financial capability. Here are two initiatives we support this way:

- **Non-Profit Training Resource Fund:** This fund, distributed through the TD Charitable Foundation, provides donations to eligible organizations for employee job training, education and professional development. Since its inception in 2007, the program has distributed US\$1.2 million in funding (1,388 grants), including \$180,000 in 2016 (199 grants).
- **Money Mission Strategy:** Launched in 2016 by the Community Forward Fund (CFF), Money Mission Strategy is an innovative, peer-based educational clinic designed to equip non-profits in Ontario with financial management and financial planning tools. In total, 83 non-profit groups participated in 2016 and expanded their understanding of their non-profit's financial health.

Supporting Underserved U.S. Communities

We work to increase the economic capability of underserved U.S. communities in areas such as affordable housing, community services, revitalization and small business economic development. In 2016, TD Bank provided more than US\$1.6 billion, up from US\$1.1 billion in 2015, for community development loans and investments in underserved locations. Examples include the following:

- Tax credit programs and other investments supporting local initiatives for low- to moderate-income individuals and families totalled US\$304.2 million, including US\$600,000 in state tax credits.
- TD originated 315 community development loans for low- to moderate-income groups totalling more than US\$1.4 billion.

Affordable Housing in the U.S.

We continue to play an ongoing role in helping address the lack of affordable shelter in many cities across America.

- **Community development lending:** We provide community development loans and services to companies developing or preserving affordable housing in low- and moderate-income areas. In 2016, we originated 99 loans totalling nearly US\$423 million in support of over 5,700 units of affordable housing - up from US\$305 million the previous year - to developers and organizations in the U.S. communities we serve.
- **Community development investing:** We are making investments through low-income-housing tax credits that benefit underserved communities. TD Bank funded US\$267 million last year in Low-Income Housing Tax Credits (LIHTC) to support new construction and the rehabilitation of affordable housing for families, individuals and elderly residents.
- **Charitable grants:** The TD Charitable Foundation donated US\$4.9 million to organizations working to increase affordable housing in low- to medium-income U.S. communities, including through its signature Housing for Everyone grant competition. Now in its 11th year, this annual initiative gives money directly to non-profits leading the way in building new affordable housing and enhancing the existing supply. In 2016, 25 non-profits each received grants of US\$100,000 through Housing for Everyone.



Analyst Corner

London
Benchmarking
Group Canada
Summary

2016 Target	Rating	2016 Result	2017 Targets
Provide 25 grants totalling US\$2.5 million to organizations working to develop or rehabilitate affordable housing units	●	Achieved	Same as 2016

● Met ● On track ○ Did not meet

Partnering For Inclusion and Diversity

The Mentoring Partnership, an initiative of the Toronto Region Immigrant Employment Council (TRIEC), brings together recent skilled immigrants and established professionals in occupation-specific mentoring relationships. Since 2005 TD employees have provided over 1,400 mentoring relationships to skilled newcomers, with approximately 25% of those mentored through TD gaining positions with the bank.

DiverseCity onBoard, an initiative of Ryerson University, was created to increase inclusion and diversity in leadership in the non-profit and public sectors. The program provides governance training and board-matching for individuals from traditionally under-represented groups – including visible minorities and Indigenous peoples – so they can be ready for board leadership positions. TD is a founding member and in 2016 we increased our funding support with a \$500,000 gift to increase board opportunities for women and the LGBT community. Operating in seven cities across Canada, the program has facilitated the placement of over 800 board appointments.

The TD Centre of Learning was launched in spring 2016, bringing a new community hub into Toronto's Regent Park green space. TD's \$250,000 donation enabled the Toronto Centre for Community Learning & Development, to use the facility to provide courses to local residents and capacity training for grassroots initiatives in the area.

Communitech: Through TD's collaboration with Communitech, a non-profit innovation hub in Waterloo, Ontario, we are funding programs that are designed to boost the number of women in technology. An example is Code Squad, a new year-long program for Grade 10 girls that is designed to inspire them to learn how to code and develop computational thinking.

Indigenous Relations in Canada

- Our **mobile banking program** brings financial services to remote and rural Indigenous communities across Canada.
- Indigenous businesses have the opportunity to participate in our **Supplier Diversity Program** and **Supplier Diversity Mentorship** initiatives.
- We have worked with **First Nations Bank of Canada (FNBC)**, the first Canadian bank to be independently controlled by Aboriginal people and shareholders since its creation in 1996.
- TD has committed \$1 million over 10 years to the **National Centre for Truth and Reconciliation (NCTR)**, a vital project stewarded by the University of Manitoba that will preserve the memory of Canada's residential school system. Our funding supports the purchase of scanning equipment and TD Internships for Truth and Reconciliation. The program plays a unique role in connecting Indigenous interns with their own history, creating a way for students to contribute to their communities' abilities to preserve and share their own stories.
- We partner with many Indigenous community organizations, such as AFOA Canada (formerly Aboriginal Financial Officers Association of Canada) to advance financial literacy and education.

In 2016, we continued to build upon our long history of partnering and engaging with Canada's Indigenous communities. For example, at the National Gathering for Indigenous Education conference in Toronto, our CEO announced that TD will be the lead supporter of **Rivers to Success**, a national mentorship program that focuses on the academic success of Indigenous youth.

Our efforts will help expand the program into more communities, and TD employees will participate as mentors.

Since 2014, TD has been gold level certified through the Canadian Council for Aboriginal Business's Progressive Aboriginal Relations (PAR) accreditation program.

"Much of the world slumbered during the century of the residential school system. Our nation is rising to a new day. A day where the promise of Canada can be realized by those who first walked her soil. Building a better future is a shared responsibility. All of us are tomorrow's ancestors. TD believes deeply in its obligation to help future generations succeed. That's why we are proud to partner with Indspire on an important national initiative that focuses on the academic success of Indigenous youth."

BHARAT MASRANI, GROUP PRESIDENT AND
CHIEF EXECUTIVE OFFICER TD

5.3 Economic Value

EC-1

Why It's Material to TD

Healthy economies need healthy banks and vice versa. Maintaining a strong business with solid revenues allows us to pay our employees fair wages and benefits, compensate our suppliers, support local small businesses, contribute to government revenues through taxes and pay dividends to our shareholders.

Management Approach

As a responsible business, we aim to positively contribute to the economies where TD operates. TD's business strategy is to produce long-term, profitable growth by building strong franchises and delivering value to customers, shareholders and the broader community. We aim for repeatable and growing income streams, focus on customer-driven products and take on only risks that we understand and can manage. We follow responsible employment practices and provide jobs for over 86,000 employees.

By providing banking, wealth and insurance products and services along with customized financial advice, we help our customers enrich their lives by making better decisions with their money.

Supporting Small Businesses

Small businesses are a powerful force in local economies and an integral part of our customer base. TD is committed to helping support the success of small businesses by offering advice, access for financing and specialized services.

Performance in 2016

2016 Highlights – Canada

- We provided small business customers with more than 28,000 loans and other credit facilities, totalling over \$1.8 billion in new and increased credit authorizations, up from \$1.7 billion in 2015.
- We continued to run TD's Official Partner of Big Dreams campaign to promote our small business customers by sharing our advertising space with them, helping to showcase their brands to a much broader market. For example, we shared event space at the Green Living Show with 15 small business customers as well as print, online and radio advertising with an additional 22 customers.
- To highlight Small Business Month in October, TD hosted educational events in retail branches and communities across the country, providing business owners with tools and resources to leverage products and services within their respective markets.
- We invested in additional training for our 500-plus small business account managers across Canada so they can provide expert advice and innovative solutions based on the unique needs of each business.

2016 Highlights – U.S.

- We provided 30,066 small business loans, new and existing, totalling US\$2.3 billion. Approximately 85% of these loans were for amounts less than US\$100,000.
- TD Bank earned the Small Business Administration (SBA) Diamond Award in New Jersey for making the most loans in the state for the third year in a row.
- For Small Business Month in May, TD Bank partnered with small business experts and influencers Gene Marks and Rieva Lesonsky to offer workshops, advice and mentoring to small business owners at expos and conferences along the East Coast.



Analyst Corner

TD Code of Conduct and Ethics

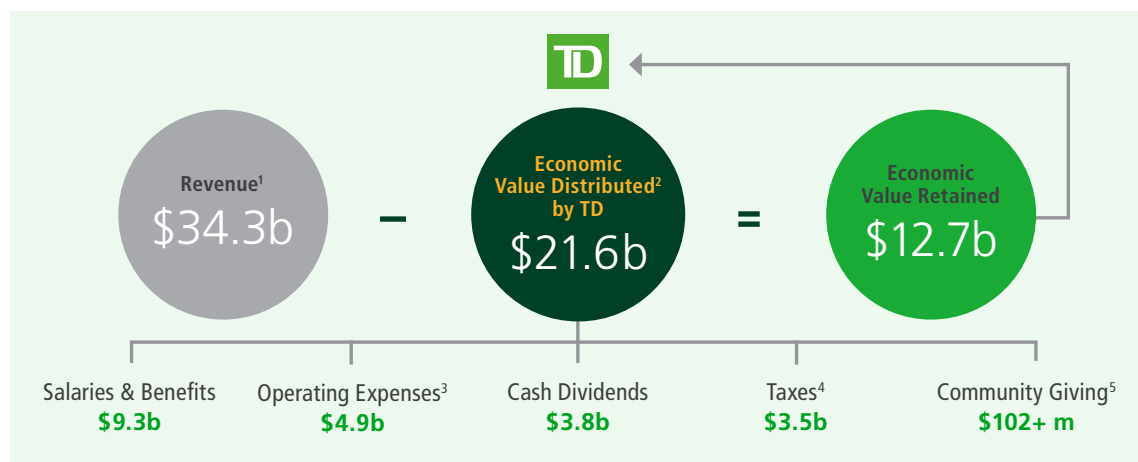
1 Amounts based on International Financial Reporting Standards. See the bank's 2016 Annual Report for more information.

2 Economic value distributed as defined by the Global Reporting Initiative. Source: EC1.

3 Operating expenses include occupancy, equipment, marketing and business development, professional and advisory services and communications.

4 Includes payroll taxes, sales taxes, municipal and property taxes, insurance premium taxes, business taxes and capital taxes.

5 Includes cash donations in North America and the U.K.



Sourcing

G4-12

EC 8

FS-1

FS-2

FS-3

We are committed in our efforts to influence strong ethical, social and environmental performance across our supply chains. Supply chain management is continuing to increase in complexity while responding to heightened regulatory scrutiny globally. Amid this environment, TD has placed a greater focus on managing the geopolitical, reputational and data security risks that could result from our procurement activities.

TD's Strategic Sourcing Group endeavours to ensure that we have a responsible and diverse network of suppliers who share our values and demonstrate responsible practices while delivering high-quality and appropriate goods and services.

Our Responsible Procurement Policy embeds a wide range of criteria into TD's sourcing practices and decisions. Significant prospective suppliers must complete a questionnaire covering:

- Corporate responsibility performance
- Health and safety record
- Human rights and labour practices, including child or forced labour
- Diversity and inclusion efforts
- Code of conduct, ethics and anti-bribery/anti-corruption practices
- Environmental sustainability efforts

The questionnaire and risk assessment process helps ensure that TD extends its responsible procurement agenda into the supply market. We apply enhanced due diligence to sourcing products and services when social, ethical, environmental and geographical elements are deemed higher-risk.

TD's Supplier Code of Conduct provides further transparency concerning TD's expectations. The code reflects and frames the principles set out in TD's Responsible Procurement Policy, as well as the minimum performance standards and obligations that suppliers and their subcontractors must meet when doing business with TD.

Suppliers are expected to have guidelines, policies and practices that are communicated throughout their organization, upheld by all levels of management and considered in and applied to their own supply chain activities.

Performance in 2016

- Over \$6 billion spent in the procurement of goods and services was with suppliers based in North America.

In 2016, we assessed 276 suppliers according to our Responsible Procurement Policy, up from 211 in 2015. We expanded the scope of our responsible procurement assessment by sending questionnaires to suppliers with significant annual spend who had existing contracts before the policy was introduced. As of October 31, 2016, there were close to 600 Responsible Procurement Questionnaires in place.

Supplier Diversity

Designed to create a level playing field, TD's North American Supplier Diversity Program works to include women, visible minorities, Aboriginal Peoples, the LGBT community, people with disabilities, veterans and other minority groups in our procurement selection process.

TD is a member of eight diverse supplier organizations in North America that certify a supplier's diversity credentials. We also educate our own employees to raise awareness of our Supplier Diversity Program.

In 2016:

- TD's group mentorship program continued to help diverse suppliers develop and learn how to do business with large corporations. More than 200 certified diverse suppliers participated in the program.
- Key primary suppliers reported how much they are spending with their own network of diverse suppliers, and we discussed ways to broaden supplier diversity programs into additional markets.
- TD was once again named a top 50 diversity organization by DiversityInc based in part on our supplier diversity practices.

Analyst Corner

Responsible Procurement Policy Summary

Supplier Code of Conduct

Prospective Supplier Website

TD Bank Group Slavery and Human Trafficking Statement

Results from our Responsible Procurement Program in 2016 demonstrate that suppliers continue to improve their practices:

Number of suppliers who improved their own policies and procedures in response to our review	
Health and safety	5
Ethical	13
Environmental	8
Human rights and labour code	21
Number of contracts withdrawn as a result of non-compliance with the Responsible Procurement Policy	
	0
Percentage of invited suppliers who agreed to participate in our responsible procurement survey (276 in total)	
	100%

Tax

EC 8

Tax Governance

The Audit Committee of the Board oversees TD's financial reporting, including the review of tax and tax planning matters that are material to the financial statements. TD's approach to tax governance includes these key elements:

- Complying with all applicable tax laws, rules and regulations
- Ensuring tax compliance as a fundamental part of business practice
- Paying all taxes due in the jurisdictions where we operate, based on underlying economic activity
- Complying with arm's length principles for TD Bank Group's intra-group transactions between different countries and jurisdictions
- Managing tax risk to avoid unnecessary disputes
- Working transparently and co-operatively with the appropriate tax authorities
- Consulting with leading law and accounting firms to obtain expert, objective advice and opinions on tax matters
- Proactively working with policy-makers and revenue authorities

TD applies the tax transfer pricing principles and documentation requirements under the local country laws for each jurisdiction where we operate and follows Organisation for Economic Co-operation and Development (OECD) guidelines. TD has transparent working relationships with the Canada Revenue Agency and other tax authorities and often obtains advance tax rulings where legal uncertainty exists.

Performance in 2016

Taxes We Pay

TD pays corporate income taxes on the profits we earn, as well as various taxes incurred in our business operations. TD's business strategy is focused on our core markets of

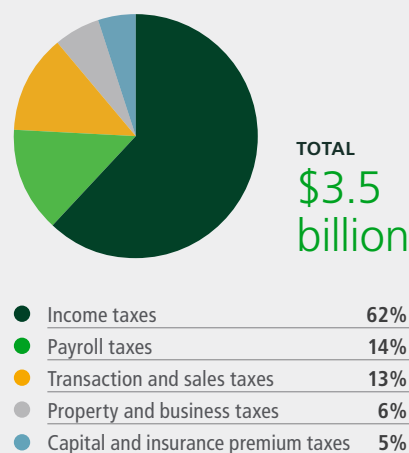
Canada and the U.S. In 2016, 99% of our taxes were paid in these jurisdictions. TD is one of the largest corporate income tax payers in Canada.

Taxes We Collect

TD collects taxes on behalf of governments in the countries and regions where we operate. We assume the administrative costs associated with this activity, understanding and supporting the benefits to the broader economy. The taxes we collect include:

- The employee portion of payroll taxes
- Income tax on behalf of employees
- Property tax on behalf of customers who are mortgage holders
- Transaction tax on customer transactions to which sales taxes apply
- Withholding taxes on behalf of investors

Types of Taxes Borne by TD in 2016



\$3.5 billion

Amount TD contributed in taxes borne in 2016.

\$2.5 billion

Amount of tax collected on behalf of governments.

Taxes Borne by TD Bank Group (in millions of dollars)

	2016	2015	2014
Income taxes	2,143	1,523	1,512
Payroll taxes for over 86,000 employees across 16 countries	502	485	435
Transaction and sales taxes	461	428	426
Capital and insurance premium taxes	169	135	157
Property and business taxes	203	181	172
TOTAL	3,478	2,752	2,702



Analyst Corner

Taxes Paid by Province in Canada

6.0

Governance

TD is committed to conducting its affairs with the highest standards of ethics, integrity, honesty, fairness and professionalism – in every respect, without exception, at all times.

Material topics in this chapter:

Corporate Governance and Integrity

Risk Management

Data Security and Privacy

Highlights



TD ranked one of World's 50 Safest Banks for the 6th year in a row, earning a coveted spot on the top-10 list.

36%

Women on our Board of Directors.



TD named best Investor Relations by Sector: Financial Services by *IR Magazine Awards*. TD also won Best Corporate Governance.

6.1 Corporate Governance and Integrity

G4-38 G4-39

Why It's Material to TD

TD's Board of Directors is elected by TD's shareholders to oversee the management of the company and to assure that the long-term interests of shareholders are addressed responsibly, including addressing the concerns of other stakeholders including the bank's employees, customers, regulators, communities and the public.

our responsibilities to our shareholders and other relevant stakeholders and on creating long-term shareholder value. We have an independent Chairman with a clear corporate governance leadership mandate and a Board that is responsible for fulfilling a number of duties, including:

- Setting the tone for risk, integrity and compliance culture throughout TD
- Approving the strategy and business objectives of the bank and overseeing their execution
- Overseeing the identification and monitoring of the principal risks affecting the bank's businesses

One of the keys to corporate success in variable economic conditions is corporate governance. In keeping with evolving regulatory and market expectations, TD's Board regularly reviews and updates our governance practices and continues to represent the best interests of shareholders through a strong focus on transparency and accountability.

Management Approach

The Board of Directors and the management of TD are committed to leadership in corporate governance. We have designed our corporate governance policies, principles and practices to be sure we are focused on

Key Facts About TD's Approach to Governance

See 2017 Proxy Circular

Diversity	The Board's goal is that women and men each comprise at least 30% of the Board's independent directors.	Page 76
Competencies and Skills/ Experience Matrix	Corporate responsibility is one of 13 competencies in the skills matrix. Directors annually self-assess their skills and experiences in these.	Page 75
Other Directorships and Board Interlocks	In 2016, the Board formally adopted a policy with respect to directors joining boards of other public companies. Other than as members of the Board of the bank or as designees of the bank on the board of directors of TD Ameritrade Holding Corporation, no more than two Board members may sit on the same public company board without the consent of the Corporate Governance Committee. In addition, no member of the Audit Committee may serve on more than three public company audit committees without the consent of the Corporate Governance Committee and the Board.	Page 68
Share Ownership	Under the bank's director share ownership requirement, non-employee directors are expected to acquire common shares with a value equivalent to at least six times their annual cash retainer.	Page 17
Deep Dives	Each year, the Board participates in a two-day strategy meeting on different business, economic, enterprise and regulatory topics, to gain greater understanding of the industry, competitors, trends and risks and opportunities.	Page 72

Highlights of the Board's and its committees' initiatives in fiscal 2016 are available in our [2017 Proxy Circular](#). TD also has extensive information about corporate governance practices available on our website.



Analyst Corner

The Board of Directors and Its Committees

Disclosure of Corporate Governance Policies and Practices

Code of Conduct and Ethics for Employees and Directors

Whistleblower Hotline

AML/ATF/Sanctions Policy Summary

Anti-Bribery, Anti-Corruption Policy Summary

6.1 Corporate Governance and Integrity 6.2 Risk Management 6.3 Data Security and Privacy

LA12 G4 57 G4-58

Performance in 2016

TD's Board of Directors: (Information as of 2017 Proxy Circular – Dated February 1, 2017)

Number of independent Board members	13
Chair and CEO are separate	Yes
Board oversight of corporate responsibility	Yes
Number of meetings (for the 12-month period ending October 31, 2016)	
Full Board	10
Corporate Governance Committee	4
Risk Committee	9
Audit Committee	8
Human Resources Committee	6
Average annual Board attendance in 2016	97%
Board diversity	
% female independent directors	38%
% female of all directors	36%
% visible minority directors	14%
% independent directors	93%
Shareholders who voted in favour of the bank's approach to compensation	95%

Promoting Responsible Conduct

While reaching our business goals is critical to TD's success, equally important is the way we achieve them. That's why the actions of our employees are subject to a number of internal policies, standards and guidelines. Anyone working on behalf of TD is required to complete compliance training related to customer protection and responsible business

conduct to mitigate the risk of employee misconduct that could lead to customer harm, reputational damage or legal liability. To ensure our employees understand current and evolving risks, we also continue to enhance the bank's awareness and training programs on anti-money laundering (AML), anti-terrorist financing (ATF), sanctions and anti-bribery/anti-corruption (ABAC).

Code of Conduct and Ethics	<ul style="list-style-type: none"> • A framework for how we interact. • Clearly states that irregular business conduct will not be tolerated. • Applies to employees and Directors. • Requires annual attestation. • The Audit Committee of the Board receives a report to confirm 100% of eligible employees have completed attestation.
Whistleblower Hotline	<ul style="list-style-type: none"> • An independent, third-party managed, confidential and anonymous channel for reporting concerns to the bank. • Includes the ability to report anonymously through a call centre or online.
Anti-Money Laundering and Anti-Terrorist Financing (AML/ATF) Sanctions and Anti-Bribery/Anti-Corruption (ABAC)	<p>A framework of policies designed to:</p> <ul style="list-style-type: none"> • Detect and deter the use of TD products and services for money-laundering and terrorist-financing activities and comply with AML/ATF laws and regulations. • Comply with economic and trade sanctions laws and regulations. • Provide principles of conduct to deter and detect bribery and corruption activities. • Require all newly hired employees to complete mandatory AML/ATF, Sanctions and ABAC training. All existing employees complete refresher training each year. The training is customized to the risks and controls relevant to different employee groups, based on role, business and location.

6.2 Risk Management

G4-14

Why It's Material to TD

Everyone at TD has a role to play in risk management. It's essential that we each play our part to protect our business, our customers and our employees from a variety of risks in the financial services sector. These include traditional financial risks inherent to banking, such as credit and interest rate risk, as well as modern-day risks such as climate change and cyber-security.

Management Approach

In the TD Framework, one of our shared commitments is to "Execute with speed and impact; only take risks we can understand and manage." TD executives, Directors and employees look to both our Enterprise Risk Framework and our Risk Appetite Statement for a common understanding of how TD views risk and determines the type and amount of risk that TD is willing to take to deliver the bank's strategy and enhance shareholder value.

TD employs a "three-lines-of-defence" model that describes the roles and responsibilities of our business segments; governance, risk and oversight groups; and internal audit in managing risks across TD. We regularly monitor and report on risk levels and compliance within TD's risk appetite to senior management, the Board and its committees. We also run education sessions, conferences and communication programs to increase awareness across the organization.

TD's Risk Appetite Statement

We take risks required to build our business, but only if those risks:

1. Fit our business strategy and can be understood and managed
2. Do not expose the enterprise to any significant single-loss events (we don't "bet the bank" on any single acquisition, business or product)
3. Do not risk harming the TD brand

Performance in 2016

- Continued enhancement of the enterprise and business segments' Risk Appetite Statement, associated measures and reporting on TD's risk profile
- Continued focus on risk culture including reporting on the culture of integrity and ethical personal and business conduct
- Continued focus on emerging risks and issues of specific relevance
- Presentations and discussions on cyber security including evolving threat landscape, incident response and resiliency capabilities

Managing Environmental Risk

Environmental risk is the possibility of loss of strategic, financial, operational or reputational value resulting from the impact of environmental issues or concerns and related social risk, either short-term or long-term. Management of environmental risk is an enterprise-wide priority.

Key environmental risks include:

- **Direct risks:** Risks associated with the ownership and operation of the bank's business, which include management and operation of company-owned or -managed real estate, fleet, business operations and associated services.
- **Indirect risks:** Risks associated with environmental performance or environmental events, such as changing climate patterns, that may have an impact on the bank's retail customers and clients to whom TD provides financing or in which TD invests.
- **Risk arising from the changing regulatory environment:** Including identification and management of new or emerging environmental regulatory issues.
- **Risk of opportunity loss:** Failure to understand and appropriately leverage environment-related trends to meet customer and consumer demands for products and services.

During incidents that could disrupt the bank's business and operations, Business Continuity Management supports the ability of senior management to continue to manage and operate their businesses and to provide customers access to products and services. The bank's robust enterprise-wide business continuity management program leverages a multi-tiered, global crisis/incident management governance structure to ensure effective oversight, responsibility and management of crises and incidents affecting the bank. All areas of the bank are required to maintain and regularly test business continuity plans designed to respond to a broad range of potential scenarios.



Analyst Corner

Managing Risk
(p72)

Update from the
Risk Committee
(p85)

6.3 Data Security and Privacy

Why It's Material to TD

As a financial institution that relies extensively on technology, the consequences of a breach in data security and privacy are significant. They include potential financial damage to our customers, financial loss to TD, disruption to our operations and unauthorized release of confidential information, all of which could have a negative impact on the sustainability of our business in terms of public trust and, ultimately, our brand and our reputation.

Management Approach

As a financial institution, we approach the protection of our information assets, personal data and customer information as fundamental components of our business. While we continue to evolve the bank's digital transformation in response to changing customer preferences, at the same time we are making significant investments to ensure the security and privacy of our data, technology and systems.

The bank actively monitors, manages and continues to enhance its ability to mitigate security and privacy risks through enterprise-wide programs, industry best practices and robust threat and vulnerability assessments and responses. Our security safeguards include secure firewalls to help prevent unauthorized external access to TD internal systems, data encryption to help ensure that customer information can be decoded and read only within TD's online and mobile environment and around-the-clock monitoring to maintain the quality of TD's systems and proactively help identify unusual customer account activity.

Our strong commitment to data security and privacy is demonstrated in the bank's overall governance and accountability:

- **Cyber-security** issues are managed by the Enterprise Risk Management Committee through the Chief Information Security Officer.
- A Global Chief Privacy Officer leads TD's Privacy Program and reports to the Global Chief Compliance Officer. Local privacy officers are responsible in the jurisdictions where the bank operates.

We strive to incorporate the principles of "privacy-by-design" into our products and services from the beginning. Another important area of focus is training and communication. All employees complete a mandatory privacy and information-security training course, which is refreshed annually. Through continual awareness-building, we work to promote a culture that understands the fundamental importance of data security and privacy. TD also complies with many industry-level codes of conduct and public commitments designed to protect consumers.

Performance in 2016

Data Security

We continue to invest considerable resources to ensure the security and privacy of our data, technology and systems.

On the security front, we work to anticipate and prevent cyber security threats in a number of ways, including the development of strategies and tools to respond to the most critical risks, monitoring our IT systems around the clock and actively collaborating with other banks and governments to exchange best practices and share threat-intelligence information (for example, participating in Public Safety Canada's Canadian Cyber Incident Response Centre).

Privacy

Our Global Privacy Team remains vigilant in maintaining bank-wide policies, procedures, standards and guidelines to help protect the privacy of our customers' and our employees' personal information and mitigate privacy risk. In Canada, the Office of the Privacy Commissioner ruled on two complaints about the bank from past years and found them to be well-founded and resolved. There were no privacy complaints or investigations in the U.S. found in favour of the customer.

We strive to have clear and easily accessible policies and practices so customers can find answers about how we manage their information. For example, TD's [Mobile Apps Privacy Code](#) and TD's [Online Privacy Code](#) advise users on how the information collected when using the TD app and TD websites is handled. TD does not collect information about our customers' general browsing activities. We also continue to offer products and services to help customers manage and improve their security and privacy. These include tipsheets for preventing financial fraud and smart online usage, as well as links to anti-virus and anti-malware software.



Analyst Corner

How We Protect You
(Security Measures)

How You Can
Protect Yourself

TD's Privacy
Commitments

Approach to Reporting

Reporting Frameworks

TD has used the Global Reporting Initiative (GRI) framework for corporate responsibility reporting since 2007. TD's 2016 Corporate Responsibility Report is written in accordance with the G4 framework and fulfils the requirements for a Core report. In addition to GRI, we continue to monitor international reporting trends, including the work of the Sustainability Accounting Standards Board (SASB).

+ Aspect Boundary Table

+ Online GRI Index

External assurance reports

Selected performance indicators were independently assured by Ernst & Young LLP. Ernst & Young performed a limited assurance engagement for a selection of TD's social and environmental performance indicators, including TD's greenhouse-gas emissions and Carbon Neutral Schedule.

+ Assurance Statement for the 2016 Corporate Responsibility Metrics, Greenhouse Gas Emissions and Carbon Neutral Schedule

+ Assurance Statement for the 2016 Green Bond Schedule

External reviews of TD's corporate responsibility performance

Sustainability rankings provide a useful tool for benchmarking our progress and help focus our efforts to strengthen TD's corporate responsibility performance. The table below shows improvements over time. We wish to be clear that sustainability rankings are an outcome and not the reason for our efforts.

Reviewer	2016	2015
Carbon Disclosure Project (CDP)	Score: A- for performance, placing TD in the leadership category. TD is the top scoring Canadian bank among the Big 5 Banks. ¹	Score: 99 for disclosure (out of 100) and A- for performance Listed on the Canada 200 Climate Disclosure Leadership Index (among top 20)
Dow Jones Sustainability Indices (RobecoSAM Score)	Score: 84 (out of 100) Included in World Index and North American Index.	Score: 81 (out of 100) Included in World Index and North American Index.
Sustainalytics	Score: 79 (out of 100) Position: 11 (out of 395 global financial peers)	Score: 79 (out of 100) Position: 15 (out of 422 global financial peers)
FTSE4Good Index Series	Included	Included
Global 100 Most Sustainable Corporations (Corporate Knights)	Ranked 54th (out of 100) in 2016 Ranked 58th (out of 100) in 2017	Ranked 76th (out of 100) in 2015
Best 50 Corporate Citizens in Canada	Ranked: 11 (out of 50)	Ranked: 12 (out of 50)

¹ Big 5 Banks in Canada: Bank of Montreal, Canadian Imperial Bank of Commerce, Royal Bank of Canada and Bank of Nova Scotia.