

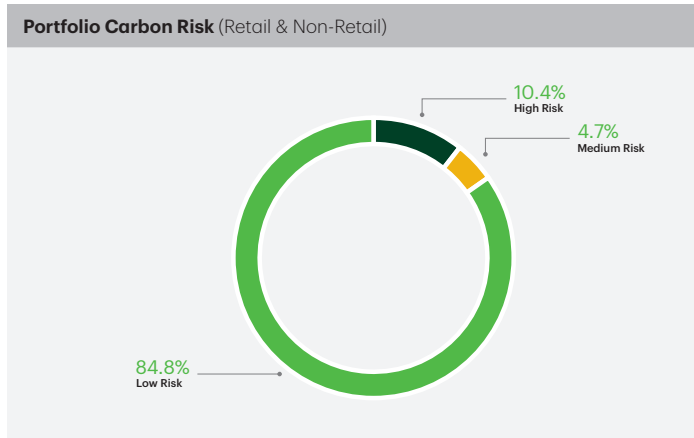
## CARBON AND WATER RISK ASSESSMENT

### Carbon-Related Risk

We define carbon risk as risk driven by changes in carbon-related regulation, resource constraints and the changing climate within our financing activities to carbon-intensive industries.

#### Portfolio Exposure to Carbon Risk Canada and U.S.

(As at October 31, 2017)

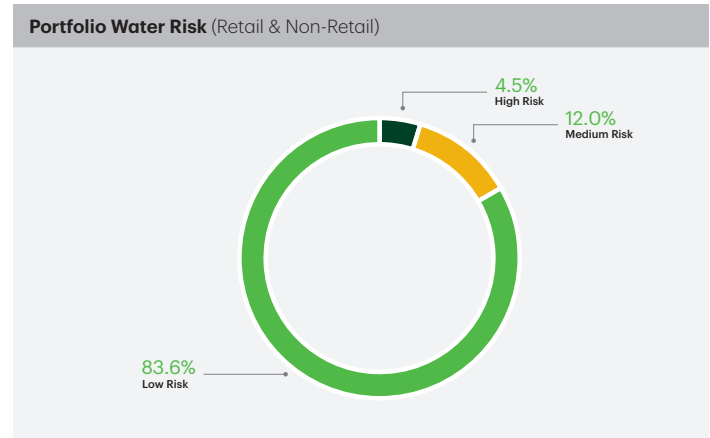


### Water-Related Risk

We define water-related risk based on the potential economic and environmental impacts of water shortages caused by climate change. We track our exposure to sectors that are water-intensive.

#### Portfolio Exposure to Water Risk Canada and U.S.

(As at October 31, 2017)



There have been no significant increases in carbon and water risk between 2016 and 2017.

### Environmental Sensitivity by Sector

|               | Carbon-Related Risk <sup>1</sup>  | Water-Related Risk  |
|---------------|---|---|
| Low Risk      | Residential & personal real estate, financial, government & public sector, health & social services, media & entertainment, professional services, retail, telecommunications, automotive | Residential & personal real estate, financial, government & public sector, health & social services, media & entertainment, professional services, retail, telecommunications |
| Moderate Risk | Non-residential real estate, food & beverage, forestry, industrial construction, mining, sundry manufacturing   | Non-residential real estate, automotive, industrial construction, sundry manufacturing, transportation  |
| High Risk     | Chemical, oil & gas, pipelines, power & utilities, non-residential real estate, agriculture, transportation   | Agriculture, chemical, food & beverage, forestry, metals & mining, pipelines, oil & gas, power & utilities  |

<sup>1</sup> TD has updated its Carbon-Related Risk sector categorization based on sectors identified by the Government of Canada  
Link: <https://www.neb-one.gc.ca/nrg/sttstc/lctrct/rprt/2016cndrnwblpwr/ghgmssn-eng.html>