

Details of TD's Materiality Assessment Process and Approach to Stakeholder Engagement

In 2017, we refreshed our materiality assessment to update and prioritize the topics that shape TD's corporate responsibility reporting. During our comprehensive materiality assessment in 2016, our process involved four stages: research and benchmarking, impact mapping, stakeholder interviews and a validation workshop to discuss the assessment findings.

We continue to use GRI's definition of materiality, understanding that the information we select to report on each year should cover topics and indicators that:

- Reflect the organization's significant economic, environmental, and social impacts; or
- Would substantively influence the assessments and decisions of stakeholders.

TD's materiality assessment process was facilitated by an independent third party, BrownFlynn. In addition to 10 internal interviews with TD leaders from different business areas, 13 external interviews involved representatives from the following stakeholder groups:

Regulators	<ul style="list-style-type: none"> • Financial Consumer Agency of Canada 	Community Stakeholders	<ul style="list-style-type: none"> • An Indigenous community stakeholder • The City of Toronto
Investors & Shareholders	<ul style="list-style-type: none"> • NEI Investments • Addenda Capital • Shareholder Association for Research and Education 	NGOs & Sustainability Organizations	<ul style="list-style-type: none"> • Ceres • CivicAction • World Business Council for Sustainable Development
Consumer Agencies	<ul style="list-style-type: none"> • Credit Counselling Society 	Suppliers	<ul style="list-style-type: none"> • Brookfield Global Integrated Solutions (Brookfield GIS)
Academia	<ul style="list-style-type: none"> • University of Waterloo 	Customers	<ul style="list-style-type: none"> • Blackstone Energy Services

TD has chosen to engage with the stakeholder groups mentioned above based on their relationship with TD Bank Group, their influence or knowledge of current and emerging sustainability topics. The materiality assessment as well as stakeholder interviews are conducted on a bi-annual basis and the outcome of engagement helps to inform the contents of our report.

The identification process via internal research and benchmarking as well as stakeholder interviews resulted in a list of 30 potential topics. Through further discussion and analysis, we were able to combine some topics in order to avoid overlap. During the interviews stakeholders were asked to rank the importance of various corporate responsibility topics by the level of risk, opportunity and impact for TD. Moreover, stakeholders were also asked to identify, if necessary, any topic not already discussed and prioritized by TD.

The result of these interviews, research and analysis is a view of each issue, in terms of its significance to stakeholders and significance to TD, which we display on a matrix (see page 8 in the 2017 Corporate Responsibility Report.)

Significance to Stakeholders (Scale of 1 to 5)

- | | |
|-----------------|--|
| Is the topic... | <ul style="list-style-type: none">• A main interest or concern raised by stakeholders?• Among the current or future challenges for the sector as reported by peers and competitors?• The subject of laws, regulations, agreements of strategic significance to organization? |
|-----------------|--|

Significance to the Organization (Scale of 1 to 7)

- | | |
|-----------------|--|
| Is the topic... | <ul style="list-style-type: none">• Expressed in key organizational values, policies, strategies, management systems, goals or targets?• A main interest or topic raised by stakeholders invested in the success of the organization?• The source of a significant risk to organization?• Related to a critical success factor, strategic driver or competitive advantage?• Related to a core competency for contributing to sustainable development?• Having significant financial implications? |
|-----------------|--|

The materiality matrix and the associated rankings were presented to TD's Corporate Responsibility Steering Committee. Members of the committee made final adjustments to the rankings and discussed TD's actual and potential impact in sustainability terms.

The Steering Committee also reviewed the findings in light of TD's current business strategy. The results of the 2017 materiality assessment were presented to the Corporate Governance Committee of the Board of Directors.