

TD's Environment Policy

Overview

Operating a complex financial institution exposes all our businesses and operations to a broad range of risks stemming from environmental issues and circumstances. These risks include: regulatory, strategic, financial, operational, and reputational risks. The impact can result in financial loss or gain, litigation, and/or reputational damage.

The escalation and monitoring of Environmental Risk issues is critical to maintaining effective senior management and Board level oversight. Environmental Risk is defined as the possibility of loss of strategic, financial, operational or reputational value resulting from the impact of environmental issues or concerns, including climate change, and related social risk within the scope of short-term and long-term cycles.

Risks associated with workplace environmental health and safety issues are not covered under this policy.

This policy forms a key component of the TD Bank Group's (TD or the bank) Environmental Management System and promotes a risk-aware culture that allows management to quickly identify and mitigate risk related to environmental issues, as well building on market opportunities related to the growing environmental sector.

1. Purpose

The Environment Policy (the Policy) outlines the requirements that TD has established to support the management of Environmental Risk, including TD's Guiding Principles.

2. Scope/Application

This Policy applies enterprise-wide to TD, and to all of TD's Business Segments and Oversight Functions, and its subsidiaries.

In the case of a merger or acquisition, Management shall ensure that their responsibilities under this policy are carried out to the extent applicable and appropriate with regard to the newly merged or acquired entity.

3. Policy Details/Requirements

Corporate Environmental Affairs owns and manages an appropriate Environmental Management System, including processes and practices to ensure that environmental issues are managed in a manner commensurate with their value, risk, and legal and statutory requirements.

The Environmental Management System sets out the processes and procedures for systematically identifying environmental risks and impacts on our business and operations and sets goals for compliance, performance and continuous improvement.

TD's Environmental Management System adheres to the following Guiding Principles:

- Comply with all applicable regulations in the jurisdictions in which we operate;
- Integrate consideration of material environmental risks and opportunities into business decision making;
- Commit to manage our operational footprint across our business operations, fleet and supply chain;
- Actively engage with our key stakeholders in two-way dialogue;
- Promote employee engagement in order to enhance awareness and understanding of environmental issues;
- Encourage and support local community-based environmental initiatives;
- Engage in public dialogue on environmental policy issues;
- Develop key performance indicators and set targets which are reviewed and reported on a regular basis; and
- Communicate our Policy and performance in an open and transparent manner.

Corporate Environmental Affairs is responsible for communicating the specific requirements of the EMS to business segments and oversight functions, and to report publicly on TD's environmental performance, primarily through the Environment section of the Environmental, Social and Governance Report.

Corporate Environmental Affairs is responsible for reviewing and assessing the strategic objectives, market practices, and regulatory requirements, to ensure alignment with the EMS.

Business segments and oversight functions are required to implement the environmental strategy and risk mitigation measures, as outlined by the EMS, and communicate results and performance to Corporate Environmental Affairs.

Credit and lending groups are responsible for incorporating environmental risk considerations into their due diligence process, as per the Non-Retail Environmental and Social Credit Risk Policy, and reporting the results to Corporate Environmental Affairs.



TD's Environment Policy (continued)

4. Monitoring and Control

The AVP & Head of Environment is responsible for monitoring compliance with this policy.

Compliance is monitored through the annual Environmental, Social and Governance Report, comprised of inputs from the business segments which are assessed against regulations, operating policies, standards and procedures, as specified in the Environmental Management System. The Environmental, Social and Governance Report is reviewed by the Global Head, Sustainability and Corporate Citizenship, EVP & Global Chief Marketing Officer, Group Head Customer & Colleague Experience, Group Head and General Counsel, and Chief Executive Officer.

Key environmental performance indicators within the Environmental, Social and Governance Report are annually assured by an external third party. TD's Environmental Management System is internally audited.

5. Exception Management

Any request for exceptions to this Policy must be recommended by the AVP & Head of Environment, and EVP & Global Chief Marketing Officer, and approved by the CRO.

6. Ownership & Review

Policy Owner: The EVP & Global Chief Marketing Officer has ownership of the Policy and has delegated to the AVP & Head of Environment the responsibility for review of the Policy to ensure that the content remains accurate and relevant.

Policy Approval: The Group Head and Chief Risk Officer (CRO) reviews and approves the Policy.

Policy Endorsement: The Environmental Steering Committee endorsed the Policy and recommended it for approval to the CRO.

Policy Contact: The AVP & Head of Environment is responsible for addressing any questions or feedback with respect to the Policy.

