

Principles for Sustainable Insurance – Annual Disclosure 2018

In 2014, TD Insurance became the second Canadian-based signatory to the United Nations Environment Programme Finance Initiative's Principles for Sustainable Insurance (UNEP FI PSI). UNEP FI PSI serve as the global framework for insurance companies to better manage environmental, social and governance risks, as well as opportunities in their core business strategies and operations.

As a PSI signatory, TD Insurance reports on its progress toward embedding the principles into all aspects of its operations. This document outlines the activities TD Insurance has undertaken to demonstrate its commitment to the PSI.

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

Company strategy

United Nations Environment Programme Finance Initiative TCFD Implementation Pilot: In 2018, TD Insurance (TDI) joined a group of 16 PSI signatories that have committed to participating in the UNEP FI supported pilot to implement the recommendations of the Task Force on Climate-related Financial Disclosures in the insurance industry. The pilot group will develop analytical tools to support insurance industry climate risk disclosures, providing information to investors, consumers and other stakeholders. The tools and indicators will incorporate the latest scenario analysis to assess climate-related physical and transition risks in insurance portfolios.

Employee Experience

Employee Empowerment: Each of our offices across Canada has a Green Team, made up of employees who volunteer their time to address local environmental issues. This year we revitalized our Green Teams, recruiting new members and ensuring strong leaders are in place. In addition to creating both physical and virtual spaces for employees across Canada to connect on these issues, we launched nationwide recycling initiatives focused on diverting and repurposing materials that would otherwise end up in landfills.

Indigenous Internship Program: The TD Insurance Indigenous Internship Program provides an opportunity for Indigenous young professionals to gain skills and experience with various segments of our business, while actively participating in and contributing to the celebration and acknowledgement of Indigenous history and culture.

Risk management and underwriting

TDI's underwriting criteria include:

- A requirement for customers to install sewer back-up valves following a claim in order to continue coverage
- Strict criteria for oil tanks

Product and service development & claims management

Hybrid and electric vehicle insurance discounts	TDI has offered discounts on insurance for hybrid vehicles in Canada since 2008. In 2011 the program was extended to electric vehicles.
Solar Panel Insurance	Insurance on solar panels is included in TDI's mainstream insurance offerings.
Mobile Response Units	TDI deployed Mobile Response Units (MRUs) to provide disaster relief to two cities experiencing catastrophic incidents related to climate change: Calgary, following a hail storm in August and in Ottawa, after tornadoes touched down in September. Our teams use these vehicle-based units to provide customer assistance in locations where catastrophic events (e.g., hail, flooding) have occurred.
My Insurance self-service tool	This online portal for customers to view their documents reduces waste by eliminating the need for paper documents.
Resilience-related discount	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, receive a discount on insurance.

Sales and marketing

TDI has implemented several advice initiatives on water damage prevention and earthquake coverage awareness.



Principles for Sustainable Insurance – Annual Disclosure 2018 (continued)

Principle 2: We will work together with our clients and business partners to raise awareness of environmental, social and governance issues, manage risk and develop solutions.

Client, community, and supplier initiatives

Claims Advice Line	TDI provides advice to customers as part of the Claims Advice Line, including advice on prevention related to damage from severe weather events.
Green Car Discount	TDI offers the Green Car Discount insurance program, an insurance discount for hybrid and electric vehicles. This offer is promoted at the TD Insurance sponsored Plug 'n Drive Electric Vehicle Discovery Centre; a centre enabling consumers to learn about and test drive electric vehicles.
Green Living Show	TD Insurance sponsored the 2018 Green Living Show, Canada's largest consumer show focused on solutions for leading a healthy and sustainable lifestyle. In partnership with the Electric Vehicle Discovery Centre, the TD Insurance installation featured electric car test drives and panel discussions on environmental issues related to home and auto insurance.
TDI Open Innovation Challenge	This competition is open to students to develop initiatives to help TD Insurance increase its positive impact on society and improve lives in the communities we serve. Submission categories include: an ideal working environment, helping the most vulnerable, safer cars and homes, and reducing our environmental footprint.
Extending Life Insurance Coverage	In 2018, TDI began offering life insurance coverage for HIV positive customers. TDI continues to work diligently to increase the number of Canadians eligible for life and health insurance products through product and underwriting innovation.

Principle 3: We will work together with governments, regulators and other key stakeholders to promote widespread action across society on environmental, social and governance issues.

TDI is engaged in the following government and industry initiatives to promote action on ESG issues:

- Atmospheric and Environmental Research (AER);
- Member and sponsor of Alberta Severe Weather Management Society;
- Participation in industry associations such as the Insurance Bureau of Canada, the Canadian Association of Direct Relationship Insurers and the Institute for Catastrophic Loss Reduction (ICLR), and subject-specific working groups;
- ICLEI World Congress, panel participation and support of the launch of Insurance Industry Development Goals for Cities;
- Participation in the National Roundtable on Flood Risk working groups;
- Participation in the GLOBE Forum;
- Participation in the National Roundtable for Disaster Risk Reduction – Advancing and Empowering Disaster Risk Reduction in Canada.

Seneca College's Green Citizen Forum	TD Insurance was pleased to be the presenting sponsor of Seneca College's Green Citizen Forum, the first-ever Seneca forum focused on Deep Resilience. The three-day conference featured speakers on a variety of topics related to environmental, social and governance issues and included workshops for the attendees, many of whom were students in Seneca's programs with an environmental or sustainability focus. The students in these programs are already addressing pressing environmental issues through Seneca's entrepreneurial incubator.
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Principle 4: We will demonstrate accountability and transparency in regularly disclosing publicly our progress in implementing the Principles.

TD discloses information related to its implementation of the Principles for Sustainable Insurance through the following channels:

- Annual ESG Report
- Annual CDP response

