

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

Our materiality process is informed by the Global Reporting Initiative (GRI). From that guidance, we have chosen to define materiality as those environmental, social and governance topics that have the greatest importance to our stakeholders as well as to the bank. We conduct an ESG materiality analysis every two years because we found that for our industry, the issues remain fairly consistent over this time frame. With a two-year assessment cycle, we're able to track trends on issues and it also provides time for TD to demonstrate progress based on findings from the last stakeholder panel. In 2018, we refreshed our materiality assessment to update and prioritize the topics that shape TD's ESG reporting, and this report is structured around the nine topics identified.

Our process involved four stages: research and benchmarking, impact mapping, stakeholder interviews and a validation workshop to discuss the assessment findings. From these findings, we determined our material issues.

TD's materiality assessment process was facilitated by an independent third party, BrownFlynn. Stakeholders were chosen based on their relationship with TD, their influence or knowledge of current and emerging sustainability topics. In addition to 13 internal interviews with TD leaders from different business areas, 12 external interviews involved representatives from the following stakeholder groups:

Peers	<ul style="list-style-type: none"> • Citibank 	Community Stakeholders	<ul style="list-style-type: none"> • Building Bridges Across the River • Mission Measurement • CivicAction • AVANA Capital Corporation
Investors & Shareholders	<ul style="list-style-type: none"> • NEI Investments • Ontario Teachers' Pensions Plan 	Influencers/Think Tanks	<ul style="list-style-type: none"> • United Nations Environment Programme – Finance Initiative (UNEP FI) • Centre for Corporate Governance and Sustainability • BankTrack • Deloitte LLP
		Suppliers	<ul style="list-style-type: none"> • Microsoft Corporation

The identification process via internal research and benchmarking as well as stakeholder interviews resulted in a list of 23 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 ESG topics by the level of risk,

opportunity and impact for TD. Moreover, stakeholders were 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 7 in the 2018 ESG Report.)

Significance to Stakeholders (Scale of 1 to 5)

- Is the topic...
- 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...
- 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 at a Validation Workshop where relevant leaders throughout the bank discussed the prioritized topics and opportunities raised through the materiality process. The participants made final adjustments to the rankings and discussed TD's actual and potential impact in sustainability terms.

The results of the 2018 materiality assessment were presented to the Corporate Citizenship Council and the Corporate Governance Committee of the Board of Directors.

