- Our Commitments
- Reducing Our Operational Footprint
  - Our Carbon Footprint
  - Energy Reduction
  - Renewable Energy
  - Carbon Offsets
  - Business Travel
- Green Building Design and Operation
  - Building Operation
  - Waste Reduction
- Procurement
- Responsible Financing
  - Sustainable Investing
  - Retail
- Employee Participation
- Environmental Dialogue and Research

Responsible Financing and Lending

We consider the environmental risks and benefits in our lending and investing practices

In 2008, TD approved an Environmental and Social Risk Credit Management Policy for Non-Retail Business Lines that establishes common standards for identification and management of environmental and social (E&S) risk. It applies to all wholesale and business banking groups. During 2009, we developed processes and procedures to support the policy. These will be implemented in all lending groups over 2010.

Our approach focuses on consistent and proactive identification and management of environmental and social risks. It includes assessment of regulatory risks and non-regulated risk that may be material to the undertaking. Processes and procedures include:

- A high-level screen to allow rapid identification of environmental performance based on policy, procedures and track record;
- A risk management decision tree;
- Social and environmental assessment procedures;
- Equator Principle categorization; and
- Sector-specific due diligence guidance.

TD is proactively monitoring the developing global agenda on climate change risk and regulation. We are a strong supporter of the resource-based companies that form a cornerstone of the Canadian economy. We support environmentally responsible development of Canada's oil and gas resources as a means of bridging the growing energy supply/demand gap. At the same time, we recognize that we are living in a world that is evolving toward a more diverse energy supply base. Through research and participation in informed dialogue, we are assessing both the risks and the opportunities associated with climate change.

We have incorporated consideration of climate change and regulatory risk into our social and environmental assessment procedures. In 2009 we performed a review of the exposure of our borrowers to climate change risk. Given TD's strong focus on retail banking, this preliminary assessment indicates that our overall exposure to sectors at high risk for greenhouse gas emissions regulations (oil and gas, power generation, mining and smelting, automotive and chemical) represents 5% of our lending portfolio (based on 2008 data).

TD does not lend money for transactions that would involve activities within World Heritage sites, would result in the degradation of protected critical natural habitats as designated according to World Conservation Union classification, or would involve purchase of timber from illegal logging operations. We do not lend money for transactions that are directly related to the trade in or manufacturing of material for nuclear, chemical or biological weapons, or for landmines or cluster bombs.

TD applies anti-corruption and anti-fraud controls that are applied to activities that are known to be susceptible to criminal activity or have been designated as high risk for money laundering or financing of terrorism.

Equator Principles

TD has adopted the Equator Principles, a set of voluntary standards designed to help banks evaluate the social and environmental risks associated with financing large infrastructure projects, such as pipelines and mining.

About the Equator Principles

The Equator Principles were established in association with the World Bank's International Finance Corporation (IFC) in 2003 and updated in 2006. Approximate 50 banks around the world follow the Equator Principles, representing over 85% of the global project finance market.

TD has been a signatory to the Equator Principles since 2007. We've incorporated the Equator Principles within our Social and Environmental Credit Risk Policy.

In 2009, we reviewed one category B pipeline project under this policy. TD did not provide any advisory services in 2009.

	2009	2008

In Depth

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Equator Principles Category A	0	0
Equator Principles Category B	1	7
Equator Principles Category C	0	4
Total Projects	1	11

How are projects categorized?

A project within the scope of the Equator Principles is evaluated against a set of internal performance standards on issues such as labour conditions, natural resource management, pollution prevention, impacts on indigenous peoples, and community health and safety. Projects are categorized as A, B or C depending on the scope of the potential impact and associated risks.

Category A represents projects with potential significant adverse social or environmental impacts that are diverse, irreversible or unprecedented.

Category B represents projects with potential limited adverse social or environmental impacts that are few in number, generally site-specific, largely reversible and readily addressed through mitigation measures.

Category C represents projects with minimal or no social or environmental impacts.

Find out more about the Equator Principles.