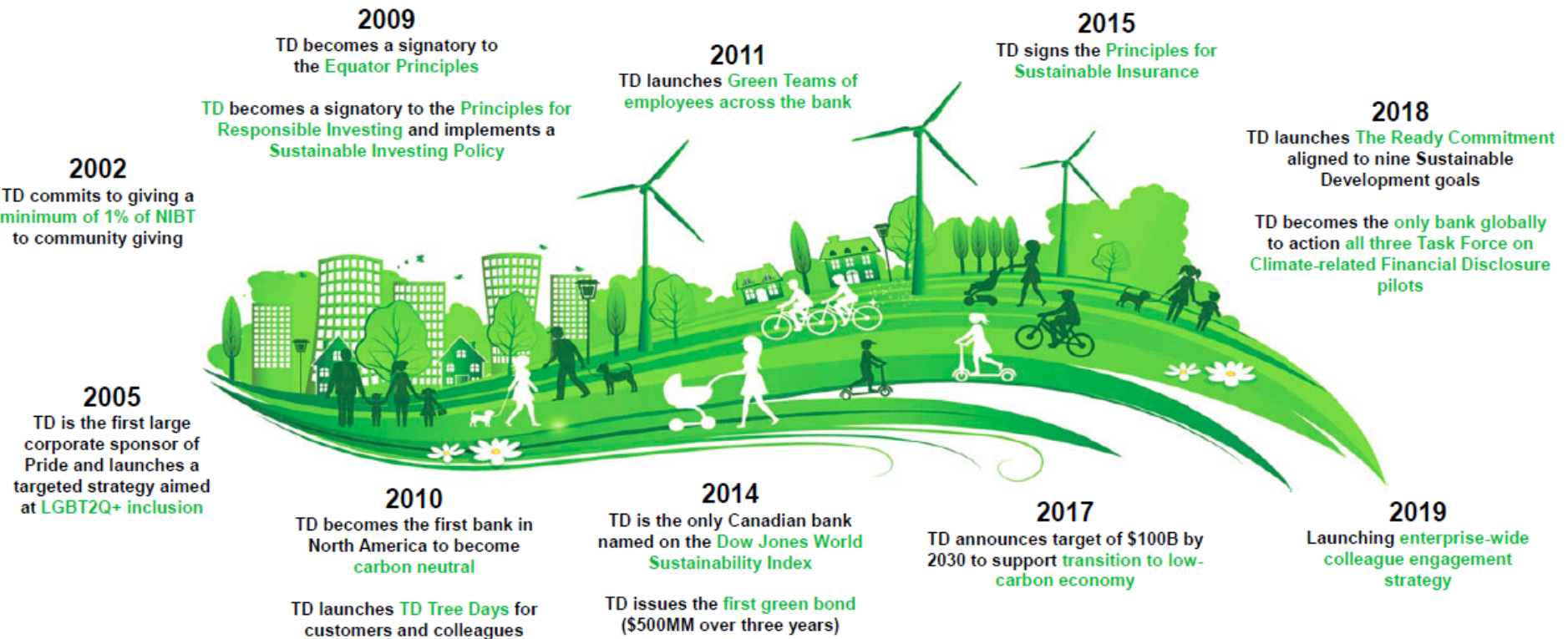




TD's Approach to Environmental, Social and Governance (ESG)

March 2020

Building on a Strong Foundation



TD's Approach to ESG Issues



- TD has an integrated approach to ESG issues that focuses on **opportunities** and **risks** across our business.
- Our **purpose-driven** employee culture and strong history of ESG performance differentiate our brand and enable our Corporate Citizenship activities to be conducted with authenticity.
- Our Corporate Citizenship platform, the **TD Ready Commitment**, is a powerful framework which aligns our organization for maximum impact.
- We have published a Corporate Responsibility Report since 2002. In 2007, we adopted the Global Reporting Initiative (GRI) framework for our sustainability disclosures.
- Our new **2019 ESG Report** contains a number of new and enhanced disclosures aligned to our material topics.

TD's Material ESG Topics



- **Definition of materiality** – We use the GRI framework to identify the ESG issues that are material for TD. The GRI framework considers materiality for a broad group of stakeholders, including employees, customers, civil society and community groups.
- **Assessment process** – TD has a robust process for assessing materiality, including consultation with internal and external stakeholders facilitated by an independent 3rd party.
- **TD's 9 material topics** – Our last assessment (2018) identified 9 material topics. These are plotted on a matrix based on our understanding of the importance of each topic to our stakeholders and our business.
- **Climate change** – Our regular cadence for conducting ESG materiality assessments is every two years, with the next assessment planned for 2020. However, in 2019, we elected to adjust the position of 'climate change' on the materiality matrix to denote its increased importance.

Relative Priority of Sustainability Topics



Our nine material topics are listed below, and plotted on the adjacent matrix based their importance, as defined by our stakeholders and our business

Environment:

- Climate Change
- Responsible Financing

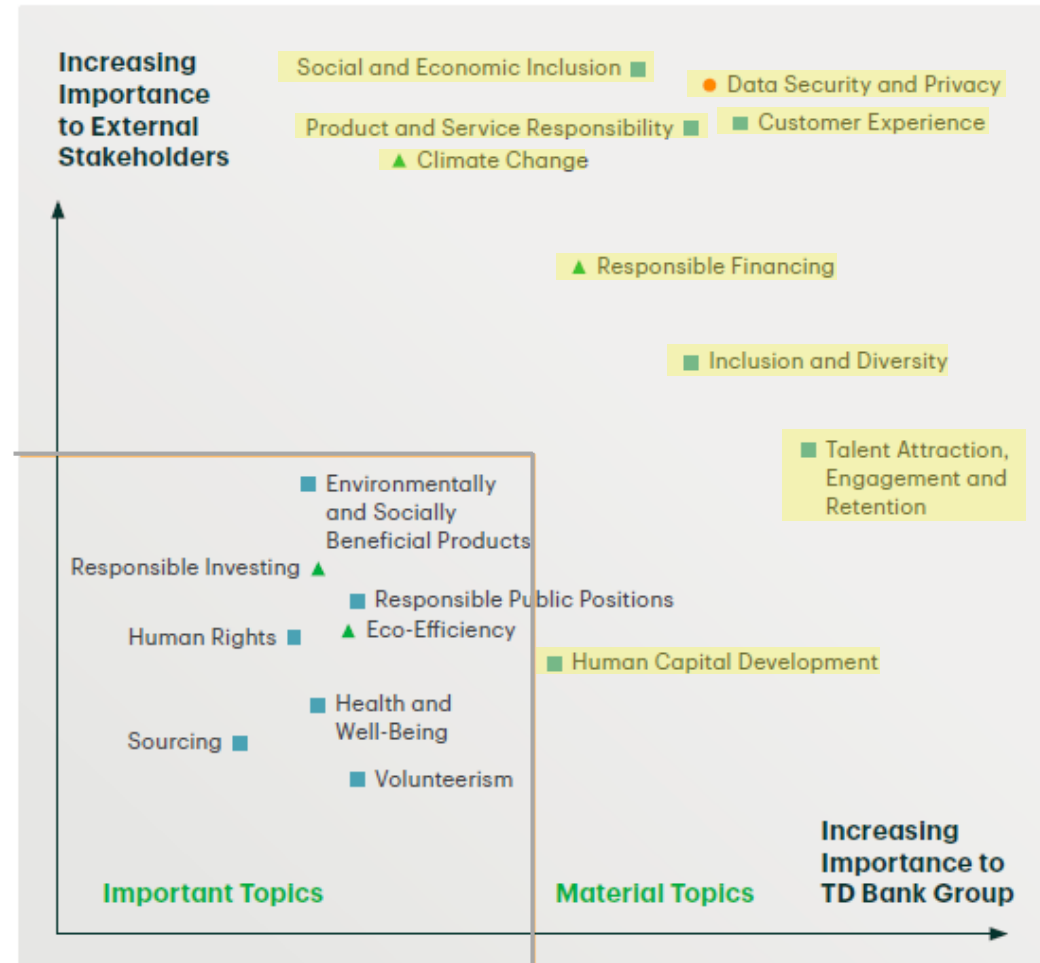
Social:

- Social and Economic Inclusion
- Product and Service Responsibility
- Customer Experience
- Inclusion and Diversity
- Human Capital Development
- Talent Attraction, Engagement and Retention

Governance:

- Data Security and Privacy

Relative Priority of Sustainability Topics



2019 ESG Report: Highlights



• Environment:

- **TCFD** – Actively working on the 11 TCFD recommendations; published our second TCFD report March 6
- **\$100bn target** – Rapidly progressing toward our target of financing the transition to the low-carbon economy with \$100bn by 2030; contributed over \$43bn since 2017 via lending, financing, asset management and internal corporate programs
- **Sustainable bonds** – TD has led over \$21bn in sustainable bond underwriting since 2010¹
- **Sustainable finance** – Established a Sustainable Finance Executive Council to develop an enterprise-wide strategy
- **Emissions** – Maintained our carbon neutrality, reduced our scope 1 and 2 GHG emissions by 21%, reduced energy use by 5% and reduced water use by 3%, all relative to our 2015 baselines

• Social:

- **Customers** – Improved processes and systems for collecting and responding to customer feedback; received input from over one million customers in 2019, helping us to improve our performance
- **Colleagues** – Invested \$85.9 million in training and development in 2019; TD Thrive, our self-serve learning platform for colleagues, has had 45,000 users with 260,000 learning content items viewed in 2019
- **Communities** – Investing broadly in our communities through significant distribution of economic value, as well as through the TD Ready Commitment, which targets \$1bn in philanthropy by 2030 across four areas. In 2019, we provided \$126 million in philanthropic support

• Governance:

- **Risk management** – Enhanced our governance of Environmental and Social risk through a new E&S risk function under Operational Risk
- **Cyber security** – Established the TD Fusion Centre with the goal of building a best-in-class digital approach to cybersecurity and a new multidisciplinary approach to cyber-risk management
- **Sales practices** – Continued to enhance our Performance Management Framework so our employees are recognized and rewarded for doing the right thing for our customers. The Board's Corporate Governance Committee, which oversees TD's conduct risk program, provided regular reporting on the program to the Board

TD has been listed on the Dow Jones Sustainability World Index for 6 years (the only Canadian bank)

¹Reflects the apportioned-value of lead managed green, social and sustainable bond underwriting by TD.

Climate Change and TCFD



- **Commitment** – TD has recognized climate change as an environmental and economic issue for more than a decade.
- **Philosophy** – We believe that economic growth and environmental sustainability are intrinsically linked and that we have a responsibility to play a positive role in fostering both in Canada. As such, our approach includes support for the responsible development of diverse energy sources in North America and supporting the transition to a low-carbon economy.
- **Engagement** – We are active in the global dialogue around climate risk, including participating in three UNEP FI TCFD pilot studies and the CBA's TCFD working group to better understand the resilience of our credit, investment and insurance portfolios to climate-related impacts.
- **Transparency** – We published our second [**TCFD Report**](#) on March 6, 2020, which outlines our progress implementing the TCFD recommendations, including new climate metrics and updates on how we are approaching scenario analysis.