

Opening doors for an inclusive tomorrow

2017 Corporate Responsibility Report



Performance summary for investors

We agree! Sustainability reports tend to be too long. If you only have time to read one page – here is a summary of TD's environmental and social performance.

Global Recognition

- TD is the only Canadian bank listed on the Dow Jones Sustainability World Index
- TD achieved Silver Class in the RobecoSAM Yearbook, which reflects the top 5% of sustainability performers in banking

International Commitments

- Signatory to the Equator Principles
- TD Asset Management is a signatory to the UN Principles for Responsible Investment (UNPRI)
- TD Insurance is a signatory of the UNEP-FI Principles for Sustainable Insurance (UNPSI)
- TD has been a carbon-neutral bank since 2010 and has met its 100% electricity commitment since 2015 as a member of RE100 (first Canadian company to join)
- TD's Citizenship Framework is aligned to 9 UN Sustainable Development Goals (SDGs)
- TD is a founding partner of IMPACT 2030, a global private sector-led collaboration to use employee volunteer programs to contribute to the achievement of the SDGs

Environment

- Target \$100 billion, in total, in our business towards initiatives in low-carbon lending, financing, asset management and other programs by 2030
- Green bonds: Issued \$1.7 billion, participated in underwriting \$15 billion, and invested over \$850 million through TD's treasury group to date
- TD is among 16 global banks participating in the UNEP-FI program to study climate-related financial disclosure recommendations from the Financial Stability Board task force
- 12% of our non-retail lending activities with companies that we have designated as environmentally sensitive based on potential for direct greenhouse gas emissions and impact on water resources
- 265 deals subject to enhanced due diligence through TD's environmental and social credit risk process
- As part of TD's carbon neutral commitment, we have offset over 950,000 tonnes of CO₂e since 2010 through the purchase of carbon offsets
- Retained position as a top-scoring Canadian bank in CDP's report on leadership in carbon reporting and management in Canada since 2013
- Expanded our involvement in the CDP Supply Chain Program, achieving an A rating for supplier engagement and landing a spot on the Supplier Engagement Rating leader board which recognizes the top 2% of participants in the CDP Supply Chain Program
- TD achieved the world's first WELL Gold-level project certified under v1 of the WELL Building Standard in 2016

Social

- TD has launched The Ready Commitment, a set of initiatives that will help build an inclusive tomorrow where everyone can succeed in a changing world. These initiatives include a target of \$1 billion, in total, of community investment by 2030
- Recognized as one of Canada's Top 100 Employers by Mediacorp, Certified Great Place to Work by Great Places to Work U.S., and listed in DiversityInc's Top 50 Companies for Diversity in the U.S.
- 82% of employees report being engaged at work
- \$81.8 million invested in employee training in 2017
- Over 300 executives working to embed Inclusion and Diversity across the organization
- Donated \$107 million in 2017 to support non-profits across North America and the U.K.

Governance

- 36% women on our Board of Directors
- The Corporate Governance Committee of the Board has oversight of the bank's corporate responsibility performance and engages with various stakeholders on ESG topics
- Highest-rated Canadian bank, among global safest banks per Global Finance magazine

Index Inclusion

- Dow Jones Sustainability World Index
- Dow Jones Sustainability North America Index
- Bloomberg Gender-Equality Index
- FTSE4Good
- Stoxx ESG Leaders
- Euronext Vigeo Index: World 120
- Ethibel Sustainability Index – Global Excellence

About this report

REPORTING SCOPE AND BOUNDARY


This report presents the material issues and impacts of our activities during the fiscal year ending October 31, 2017. Reports from previous years are available online: www.td.com/responsibility.

This report encompasses all of TD's wholly owned operations and activities, which are organized around the following operating business segments: Canadian Retail, U.S. Retail and Wholesale Banking.

Throughout this report, "TD" or the "bank" refers to TD Bank Group. "TD Bank" refers to TD Bank, America's Most Convenient Bank®. All currency is in Canadian dollars unless otherwise noted. All restatements and significant changes from the previous report are described in the performance data footnotes.

REPORTING FRAMEWORKS

TD has used the Global Reporting Initiative (GRI) framework for corporate responsibility reporting since 2007. TD's 2017 Corporate Responsibility Report is written in accordance with the G4 framework and fulfils the requirements for a Core report. In addition to GRI, we continue to monitor international reporting trends, including the work of the Sustainability Accounting Standards Board (SASB).


 **Aspect Boundary Table**

 **Online GRI Index**

EXTERNAL ASSURANCE REPORTS

Selected performance indicators were independently assured by Ernst & Young LLP. Ernst & Young performed a limited assurance engagement for a selection of TD's social and environmental performance indicators, including TD's greenhouse-gas emissions and Carbon Neutral Schedule.

 **Assurance Statement for the 2017 Corporate Responsibility Metrics, Greenhouse Gas Emissions and Carbon Neutral Schedule**

 **Assurance Statement for the 2017 Green Bond Schedule**

WAYS TO REACH US

With teams across TD dedicated to maintaining relationships, we interact with several stakeholder groups on a regular basis, responding to the issues and concerns brought to our attention. If you would like to contact TD with feedback, here are a few ways to reach us:

Customers: customer.service@td.com

Shareholders: tdshinfo@td.com

Investors: tdir@td.com

Suppliers: tdsource@td.com







Community groups: td.communitygiving@td.com

Feedback on this report: crreport@td.com

On Twitter: [@TD_Canada](https://twitter.com/TD_Canada) or [@TDBank_US](https://twitter.com/TDBank_US)

By text: TDHELP (834357)

SYMBOL KEY

-  Table of contents
-  Supporting content (external links)
-  Navigate to a different section
-  Facts and figures for which Ernst & Young LLP provided limited level of assurance
-  Indicates a GRI disclosure. Click to view the full GRI Index online.
-  Analyst Corner: Links to additional policies and references.



TD's 2016 Corporate Responsibility Report won the IFD-FSI award for best sustainability report in the Canadian financial sector for the 4th year in a row

Table of contents



Introduction

Group President and CEO's Message	1
The Value We Bring	2
Corporate Responsibility at TD	3
Sustainable Development Goals	6
How We Listen to Stakeholders	7
Our Material Topics	8
Scorecard and Goals	9



Community

34

Economic Value	35
Community Capacity Building	38
Strategic Philanthropy	40



Customers

10

Customer Experience	11
Product and Service Responsibility	14
Financial Access and Inclusion	16
Financial Education	19



Environment

43

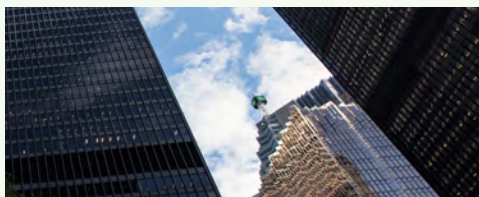
Climate Change	45
Responsible Finance	48
Responsible Investing	51
Eco-Efficiency	54



Colleagues

21

Employee Engagement	22
Inclusion and Diversity	26
Health and Well-Being	31



Governance

57

Corporate Governance and Integrity	58
Risk Management	60
Data Security and Privacy	61

Forward-Looking Statements	63
----------------------------	----

This publication is part of our reporting suite. For more information about TD and our activities, please read our other reports:

- [+ Annual Report](#)
- [+ Proxy Circular](#)
- [+ Appendix: ESG Performance Data](#)

1.1 Group President and CEO's Message

G4-1

G4-56



Bharat Masrani

Group President and
Chief Executive Officer

TD's ability to grow year over year is only made possible by the ongoing success of the people we serve. This is a large factor as to why we care about driving positive change that enriches the lives of our customers, communities and colleagues. We are proud of the work achieved so far and highlighted in this 2017 report.

We have long known that a healthy, sustainable environment contributes to our economic and social well-being and for nearly a decade TD has focused our efforts to support the transition to a low carbon economy. We continue to work with organizations to reduce carbon emissions, improve energy efficient housing and enhance urban green space. Last year, as part of a new set of initiatives, we announced a target of \$100 billion, in total, in low-carbon lending, financing, asset management and other programs by 2030.

These kinds of actions are fundamental to who we are and what we stand for as an organization and, as such, we embedded them into the TD Framework, which outlines the commitments our colleagues make to each other and those we serve.

The need to serve those around us has never been greater. We are living through a period of great change and disruption. It presents many of us with new opportunities to live better lives. But we know, for instance, that change has also made it harder for some people to earn a stable income, or have the means to live well – and be well – when they are older. And so they wonder – even worry – if they can create the kind of future they want for themselves and their families.

TD firmly believes everyone deserves the opportunity to succeed with confidence in a changing world.

We are in the business of helping our customers and clients achieve their aspirations. We create new opportunities for our colleagues to develop and grow to be their best selves. And we help our communities thrive by opening the doors for an inclusive tomorrow.

TD recently launched The Ready Commitment, which will build on our strengths and focus on the challenges that lie ahead to:

- increase access to the opportunities people need to improve their financial security;
- help elevate the quality of our environment so that people and economies can thrive;
- create opportunities for everyone to participate and be included in their community; and
- support more equitable health outcomes for all.

As part of this commitment, we will also refocus our giving, targeting \$1 billion, in total by 2030, to help maximize our impact. We recognize the role TD has to play in contributing to the global agenda by aligning our work with key UN Sustainable Development Goals for 2030.

TD has a vested interest in the communities we serve. We are committed to working collaboratively to drive positive change that will enrich the lives of our customers, communities and colleagues.

We are ready for the future and we want our communities to be as well.

Sincerely,

Bharat Masrani

Group President and Chief Executive Officer

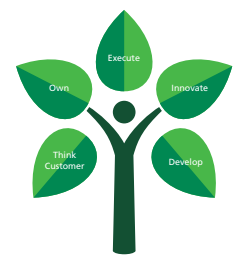
The TD Framework

Enriching the lives of our customers, communities and colleagues, speaks to the purpose that underpins what we do each and every day. It is part of the TD Framework, which guides our behaviour, shapes our culture and drives our performance.

Click to learn more:

[+ TD Framework](#)

Our shared commitments



Think like a customer; provide legendary experiences and trusted advice

Act like an owner; lead with integrity to drive business results and contribute to communities

Execute with speed and impact; only take risks we can understand and manage

Innovate with purpose; simplify the way we work

Develop our colleagues; embrace diversity and respect one another

1.2 The Value We Bring

G4-8

We are 85,000+ employees

Every day, TD touches the lives of millions of people throughout our value chain who rely on us to perform seamless and accurate transactions on their behalf.

2,400+

Retail locations across North America

25m+

Customers served around the globe



5,300+

ATMs



Banking and Advice for Business
We provide access to credit to help generate economic growth

Banking and Advice for People
We help our customers enrich their lives by making better decisions about their money

11.5m+

digital customers



24/7

phone/online



Value reinvested for future growth

Employees

\$10 billion in salaries/benefits

Suppliers

\$6+ billion in procurement

Shareholders

\$4.2 billion in cash dividends

Taxes

\$3.6 billion corporate and property

Communities

\$107+ million in donations and over 172,250 hours volunteering

1.3 Corporate Responsibility at TD

G4-34

GOVERNANCE

Corporate Responsibility is a key part of TD's strategy and is managed within a governance structure that balances broad engagement across the organization while also providing line-of-sight accountability.

The Corporate Governance Committee:

- Oversees TD's corporate responsibility strategy and performance
- Stays informed about international trends and best practices in corporate disclosure of non-financial performance
- Includes board-level competency on sustainability topics

Executive Leadership:

- Bharat Masrani, our CEO, has ultimate responsibility for ensuring TD acts as a leading corporate citizen
- Norie Campbell, a member of TD's Senior Executive Team reporting to the CEO, has oversight of TD's global corporate citizenship strategy

Corporate Citizenship Council:

- Is chaired by Norie Campbell, Group Head, Customer and Colleague Experience
- Discusses corporate responsibility topics and provides guidance on TD's strategy, current performance and future direction
- Stays informed on emerging environmental and social issues and the impact on stakeholders

In 2017, TD appointed a new Vice President of Global Corporate Citizenship, Andrea Barrack. We are currently moving towards a new enterprise-wide framework that oversees community and environment, and will seek to measure TD's social and environmental contributions over the next decade.



Norie Campbell

Group Head, Customer and Colleague Experience

“With over 25 million customers and clients, the impacts of our business are far reaching. We continue to embed good corporate citizenship into all our decisions at TD.

It means putting customers first; creating an inclusive workplace; and showing through actions as well as words that we take our responsibility for the environment seriously. We only take the risks we understand and can manage. We foster transparency that begins with our Board of Directors and is modelled daily by our leaders.”

1.3 Corporate Responsibility at TD (continued)



THE READY COMMITMENT



Andrea Barrack

Q&A with TD's Vice President,
Global Corporate Citizenship

What's the context for renewing your corporate citizenship strategy?

The world is changing at an increasingly rapid pace, undermining people's confidence in their ability to live well today and succeed in the future. Now more than ever, people are concerned that they – or their kids – will be left behind, excluded from the social and economic opportunities of the future. Helping to create the conditions so everyone has the chance to succeed and participate fully in what the future has to offer is a responsibility we take to heart at TD.

Why is this new platform important?

At TD, enriching lives is our purpose. We acknowledge that we have a responsibility to invest in the future of our society; to fund and to actively participate in the programs and causes that we believe will have the greatest impact. On the flip side, if we do nothing to help individuals and society prepare for the future, we risk increasing isolation, inequity, exclusion and divisions which will have impacts on our individual health and security, our community cohesion and the resilience of our environment.

What is TD going to do about it?

TD has developed an enterprise-wide citizenship platform that delivers on the bank's purpose to enrich the lives of our customers, communities and colleagues. Our strategy outlines four key drivers that will support building a more inclusive future in a differentiated, meaningful, authentic and measurable way.

Opening doors for an inclusive tomorrow



What is your ambition with *The Ready Commitment*?

We want to open the doors for an inclusive tomorrow. This is a bold and critical ambition that requires working with others in the private, public and not-for-profit sectors to achieve. We are committed to working collaboratively to drive positive change that will enrich the lives of our customers, communities and colleagues. We will focus on areas where we believe we can make the greatest impact to support change, nurture progress, and contribute to making the world around us a better place to live. These distinct and interconnected drivers are:

- Financial Security
- Vibrant Planet
- Connected Communities
- Better Health

When combined together, they can help create the conditions to build confidence in an inclusive future for everyone. And as part of this commitment, we will also refocus our community giving, targeting \$1 billion, in total by 2030, to maximize our impact.

Through this new platform, TD has the ambition to address the complex problem of helping build inclusive futures for everyone, while acknowledging that we can't do it alone. We are acutely aware that TD's long-term future success as a business depends upon the communities we serve. That's why The Ready Commitment aspires to be an enterprise-wide commitment, meaning that it goes beyond our community giving and it touches on many aspects of our business across the bank.

Questions? Email us: thereadycommitment@td.com

 **The Ready Commitment**

1.3 Corporate Responsibility at TD (continued)

FOUR INTERCONNECTED DRIVERS OF CHANGE

We believe focused investments in these four areas provide the most effective means for achieving the inclusive and sustainable future we want to see.



Financial Security

- Ambition** To increase access to the opportunities people need to improve their financial security
- Approach** Improve the areas known to have the greatest impact on individual financial security
- Action**
- Early Learning:** Increase children's access to programs that bridge the learning and graduation gap
 - Income Stability:** Create and prepare people for the jobs of tomorrow by investing in training, entrepreneurship and small business
 - Affordable Housing:** Improve access to affordable housing
 - Financial Confidence:** Increase financial literacy in a digital age



Vibrant Planet

- Ambition** To elevate the quality of our environment so that people and economies can thrive
- Approach** Use our scale and influence to improve environmental conditions through growing and enhancing green spaces and by accelerating the transition to a low carbon economy
- Action**
- Green Space:** Enhance and activate green spaces to build stronger communities
 - Low Carbon Economy:** Target \$100 billion, in total, in our business towards initiatives in low-carbon lending, financing, asset management and other programs by 2030



Connected Communities

- Ambition** Create opportunities for everyone to participate and be included in community
- Approach** Support activities and initiatives that respond to local needs, bring people together and amplify new voices
- Action**
- Shared Experiences:** Increase opportunities to participate in events and activities that bring people together
 - New Narratives:** Support and create dialogues in arts and culture that are reflective of all voices
 - Local Needs:** Respond to local needs where people need help integrating into community



Better Health

- Ambition** Support more equitable health outcomes for all
- Approach** Seek opportunities to leverage technology and new thinking to help connect all people to the care they need, when they need it
- Action**
- Innovative Solutions:** Increase investment in research, technology and innovation solutions that improve access to care for all

1.4 Sustainable Development Goals

Launched in 2015, the United Nations Sustainable Development Goals (SDGs) provide a plan of action for people, planet and prosperity. The 17 goals are a call to action for countries and all stakeholders, including companies and civil society, to work collaboratively in areas of critical importance for humanity and the planet.

While TD contributes in some way to all 17 goals, we have prioritized the following 9 SDGs where TD can have the greatest impact through The Ready Commitment.

 <p>Financial Security</p>	 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	Promote inclusive and sustainable economic growth, employment and decent work for all
	 <p>4 QUALITY EDUCATION</p>	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all
	 <p>1 NO POVERTY</p>	End poverty in all its forms, everywhere
 <p>Connected Communities</p>	 <p>10 REDUCED INEQUALITIES</p>	Reduce inequalities within, and among countries
	 <p>5 GENDER EQUALITY</p>	Achieve gender equality and empower all women and girls
 <p>Vibrant Planet</p>	 <p>13 CLIMATE ACTION</p>	Take urgent action to combat climate change and its impacts
	 <p>7 AFFORDABLE AND CLEAN ENERGY</p>	Ensure access to affordable, reliable, sustainable and modern energy for all
	 <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p>	Make cities inclusive, safe, resilient and sustainable
 <p>Better Health</p>	 <p>3 GOOD HEALTH AND WELL-BEING</p>	Ensure healthy lives and promote well-being for all at all ages

United Nations Sustainable Development Goals



1.5 How We Listen to Stakeholders

G4-18

G4-27

There are many environmental, social and governance issues that demand our attention. We give more importance to those risks or opportunities that directly relate to TD's core business, are stated priorities for our stakeholders, and are areas where we can effect change.

Stakeholder Group	Ways We Interact	Key Topics in 2017
Customers	<ul style="list-style-type: none"> Solicit feedback by phone and online Formal process for handling complaints TD Ombudsman Consumer associations Social media team 	<ul style="list-style-type: none"> Fee changes Processing delays Credit decisions Access to banking Financial education Sales practices
Colleagues	<ul style="list-style-type: none"> Employee surveys, focus groups and HR meetings Executive leadership visits Intranet comment engine and online communities (Connections) Employee Ombudsman (Between Us) Employee Assistance Program Whistleblower Hotline 	<ul style="list-style-type: none"> Improving work processes Career development Diversity and inclusion in the workplace Increased emphasis on employee wellness Sales practices
Shareholders and Investors	<ul style="list-style-type: none"> Annual meeting and quarterly earnings calls Shareholder proposals Shareholder Relations team Regular meetings with investors Investor Relations website Industry conferences 	<ul style="list-style-type: none"> Transition to a low-carbon economy Pipeline expansion projects Sales practices Interest rates Digital evolution in the banking sector and competing with non-traditional players Proxy access policy
Government	<ul style="list-style-type: none"> Government Relations teams for Canada and the U.S. Ongoing dialogue with regulators and policy-makers 	<ul style="list-style-type: none"> Progress on implementing regulations Evolving credit card and payments landscape Working to create greater financial literacy Sales practices
Suppliers	<ul style="list-style-type: none"> Website for prospective suppliers Email responses to supplier questions 	<ul style="list-style-type: none"> Third party risk management Education for small and diverse-owned suppliers on doing business with large companies
Industry Associations	<ul style="list-style-type: none"> Industry association memberships Memberships with various multi-stakeholder groups Participation in financial centre bodies 	<ul style="list-style-type: none"> Meeting needs of customers and evolving customer expectations Coordination among authorities for more workable regulation Oversight of unregulated and under-regulated market participants
Communities	<ul style="list-style-type: none"> Citizenship team Diversity team Ongoing dialogue with community organizations Volunteer network TD Friends of the Environment Foundation local chapters 	<ul style="list-style-type: none"> Financial education LGBTQ rights Indigenous communities Opportunities for young people Disaster support Building operational and measurement capacity
Non-Governmental Organizations	<ul style="list-style-type: none"> Meetings, phone calls, face-to-face consultation Funding research projects Conferences and forums Over 250 engagements on environmental topics 	<ul style="list-style-type: none"> Environment and climate change Low-carbon economy Financing of fossil fuel energy developments Sustainable investing Free prior and informed consent Natural capital



ANALYST CORNER

List of Environmental Stakeholder Groups and Discussion Topics

List of External Voluntary Commitments

List of Memberships and Affiliations

2017 Public Policy and Political Contributions

We understand the importance of not only listening to stakeholders, but using that feedback to take action and improve.

1.6 Our Material Topics

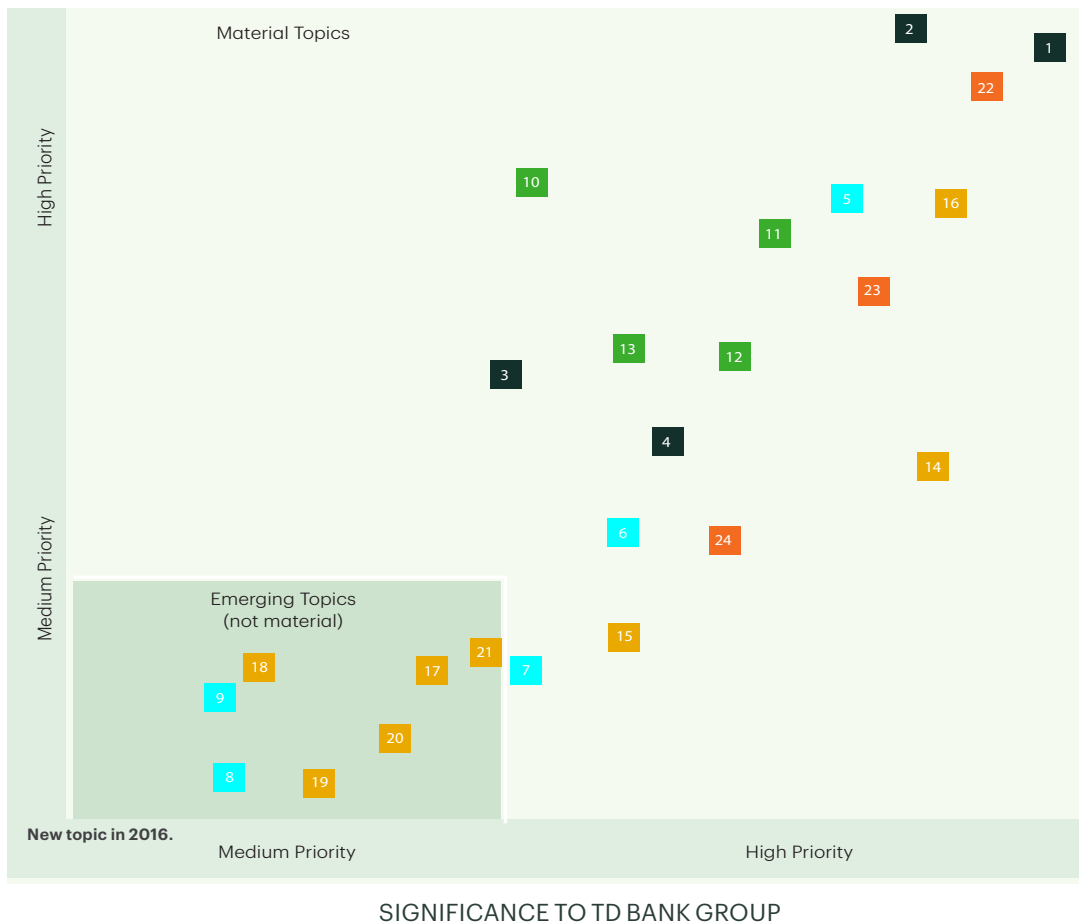
G4-2 G4-18 G4-19 G4-20 G4-21

This Corporate Responsibility Report is structured around the 17 material environmental, social and governance (ESG) topics that stakeholders and TD identified as most relevant.

We conduct an ESG materiality analysis every two years as 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 more time for TD to demonstrate progress based on findings from the last stakeholder panel. This 2017 report is based upon the materiality findings from our last assessment in 2016. Our process involved research and benchmarking, impact mapping, stakeholder interviews and a validation workshop to discuss the assessment findings.

TD's materiality process was facilitated by an independent third party, BrownFlynn. Through a series of interviews, internal and external stakeholders were asked to rank the importance of various corporate responsibility topics by the level of risk, opportunity and impact for TD.

The matrix below reflects our understanding of the importance of each topic to our stakeholders and to our business. The top material topics have been grouped into five themes that drive the content, structure and scope of our reporting: customers, colleagues, community, environment and governance.



▲ ▼ ○ Trend History: Showing how topics have increased, decreased or remained stable in relevance compared to TD's last materiality analysis in 2014. ★ New topic

The topics emerging on the bottom left corner of the matrix are addressed as sub-topics in this report.

ANALYST CORNER

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

Customers

- 1 ○ Customer Experience
- 2 ▲ Product and Service Responsibility
- 3 ○ Financial Access and Inclusion
- 4 ○ Financial Education

Colleagues

- 5 ▲ Employee Engagement
- 6 ○ Inclusion and Diversity
- 7 ▼ Health and Well-Being
- 8 ★ Human Rights
- 9 ★ Employee Relations

Environment

- 10 ▲ Climate Change
- 11 ○ Responsible Financing
- 12 ○ Responsible Investing
- 13 ○ Eco-Efficiency

Community

- 14 ○ Strategic Philanthropy
- 15 ★ Community Capacity Building
- 16 ○ Economic Value
- 17 ○ Affordable Housing
- 18 ★ Indigenous Peoples
- 19 ▼ Sourcing
- 20 ▼ Tax
- 21 ○ Volunteerism

Governance

- 22 ▲ Corporate Governance and Integrity
- 23 ○ Risk Management
- 24 ▼ Data Security and Privacy

1.7 Scorecard and Goals

G4-2

Objective		2016 Results	2017 Results (target in brackets if applicable)	2018 Target
Customers				
Deliver legendary customer service	Legendary Experience Index – TD Composite Score	✓ 45.3%	✓ 44.4% (43.8%)	61.93% ²
Create value in the real economy	Distributed economic value (in billions) ³	\$21.6	\$22.7	-
Increase financial literacy	Number of participants in a TD-sponsored financial education program	441,000	683,000 (500,000)	500,000
Colleagues				
Provide a great place to work	Increase Employee Engagement Index	✓ 81%	✓ 82% (82%)	82%
	Reduce average turnover	✓ 20.08%	✓ 20.04% (reduce year over year)	Reduce year over year
Be diverse and inclusive to reflect the communities we serve	Women in leadership ⁴ (% in Canada)	✓ 37.3%	✓ 39.8%	40% by 2020
	Minorities in leadership ⁴ (% in Canada)	✓ 14.7%	✓ 14.5%	-
	People with disabilities (% in Canada)	✓ 5.9%	✓ 5.7%	-
	Indigenous Peoples (% in Canada)	✓ 1.3%	✓ 1.2%	-
	Female Executives ^{5,6} (% in U.S.)			25.8%
	Minority Executives ^{5,6} (% in U.S.)		15.1%	-
Community				
Give financial support to create change	Total donations (millions)	\$102.5	\$107	At or above 1% ⁷
Encourage volunteerism in our communities	Hours volunteered by TD employees	127,888	172,250 (increase year over year)	Increase year over year
Influence suppliers to use responsible practices	Number of suppliers assessed for responsible practices	276	154 ⁸	-
Environment				
Embed the environment into our financing decisions	Transactions reviewed according to TD's Environmental & Social Credit Risk Management process, which includes the Equator Principles	100%	100% (100%)	100%
Reduce our environmental footprint	Be carbon-neutral	Yes	Yes	Be carbon neutral
	Reduce paper use (relative to 2010 baseline)	35% reduction	45% reduction (40% by 2020)	40% reduction by 2020 vs. 2010 baseline
Governance				
Be diverse and inclusive	Women on Board	36%	36%	At least 30% of independent directors

- In 2017 the calculations for the TD Bank Group Composite score were modified to account for TD Canada Trust Branch Banking weight change and TD Business Banking inclusion.
- Significant methodology changes during 2017-2018 do not allow comparisons to previous years' performance. Key changes include transition from phone to email survey, survey question scale change, and key metric change for Wealth, Insurance and Business Bank.
- Economic value distributed as defined by the Global Reporting Initiative. Please see [page 35](#) for more details.
- Senior Management includes TD job levels Vice President and above who have signing authority.
- Including all TD Bank NA employees, except ineligible ex-pat employees and employees on LTD. 2017 is the first year that TD has publicly disclosed diversity representation data in the U.S.
- EEO-1 Category of 1.1 (A)
- The 1% giving target tracks to the North American scope of TD's new citizenship strategy. Calculated as an average of Canadian Net-Income Before Tax giving on a five year rolling average ended 2017, and the percentage of net pre-tax income of TD Bank for the period ended October 31, 2017. (Breakdown includes Canada: 1.22%, U.S. 0.83%.)
- In 2017, supplier reviews were focused on services or products where the inherent risk was deemed to be higher, hence the entire pool of supplier reviews decreased in volume from 2016.



2.0 Customers

Material topics in this chapter

- 2.1 Customer Experience
- 2.2 Product and Service Responsibility
- 2.3 Financial Access and Inclusion
- 2.4 Financial Education

2017 Highlights

In the Ipsos 2017 Best Banking Awards, TD Canada Trust ranked first among the Big 5 Canadian Retail Banks¹ for “Customer Service Excellence”²

Ranked “Highest in Customer Satisfaction with Small Business Banking in the South Region” by J.D. Power³

TD mobile banking app ranked as the #1 Canadian banking app⁴

¹ Big 5 Canadian Retail Banks include Bank of Montreal, Canadian Imperial Bank of Commerce, Royal Bank of Canada, Scotiabank, and The Toronto-Dominion Bank.

² Ipsos 2017 Best Banking Awards are based on ongoing quarterly Customer Service Index (CSI) survey results. Sample size for the total 2017 CSI program year ended with the August 2017 survey wave was 47,813 completed surveys yielding 68,744 financial institution ratings nationally. Leadership is defined as either a statistically significant lead over the other Big 5 Canadian Retail Banks (at a 95% confidence interval) or a statistically equal tie with one or more of the Big 5 Canadian Retail Banks.

³ TD Bank received the highest numerical score among 11 banks in the South region in the J.D. Power 2017 U.S. Small Business Banking Satisfaction Study, based on 8,378 total responses, measuring the opinions of small business customers with annual revenues of \$100,000-\$10 million, surveyed June-August 2017. Your experiences may vary. Visit jdpower.com

⁴ TD ranked first according to 2017 App Annie report, which measured Monthly Active Users, Downloads, Average Sessions per User, Open Rate, and Average Review Score.

2.1 Customer Experience

Why It's Material to TD

Today's world is changing at an unprecedented rate. Customer expectations are rising, and new technology along with always-on access to information and increased competition have made it even more important for us to deliver legendary experiences.

MANAGEMENT APPROACH

Legendary customer service is at the heart of TD's business strategy. As part of our brand promise to customers we are ready to help them build financial security. As customers continue to choose more digital channels, we are making significant investments to enhance the customer experience so that we're there for our customers when, where and how they need us.

In both Canada and the U.S., we have a Customer Experience Council. These groups work together so that efforts are fully coordinated to deliver the best outcomes each and every time a customer does business with us.

PERFORMANCE IN 2017

Elevating our brand to deliver confidence

In 2017, we evolved our brand to reflect changing customer needs in both Canada and the U.S. Our teams conducted a series of focus groups and listening tours to hear from our customers and employees.

In Canada, customers told us they want the comfort TD provides through longer hours and convenient service, but many don't feel confident about their financial future. Our new brand promise focuses on delivering confidence – it's about helping customers better understand their finances, finding new and different ways to help them plan and achieve their goals. We're working to better understand the unique needs of customers and look for new and different ways to reinvent banking.

In the U.S., the meaning of convenience in banking is rapidly changing and our customers expect legendary experiences every time they interact with us, regardless of the channel. TD Bank continues to focus on convenience,

putting our customers first and supporting local communities.

New LEI program


In 2017, we exceeded our Legendary Experience Index (LEI) target (see chart). LEI is how we measure our customers' experiences. On a daily basis, we contact customers regarding their most recent interaction with TD, and in 2017 more than 600,000 customers across North America provided feedback through this survey measurement program. LEI results are communicated regularly with employees to improve our performance, and our customers' feedback has a direct tie to Branch Banking employee variable compensation.

To hear from more customers, to make it easier for customers to provide their views, and to improve how we measure and capture feedback, we undertook a significant transformation of LEI in 2017 based on customer and employee input. Enhancements include:

- A new questionnaire that is shorter, easier-to-understand and better able to measure our customers' experiences as they interact with different parts of the bank
- A new best-in-class reporting platform that delivers real time analytics and deeper insights into how our customers feel about their experience with TD – no matter when, where or how they interact with us
- Moving from telephone to email surveys, in multiple languages

Ready to facilitate better financial conversations

In 2017, we introduced the TD Discovery tool in Canada for front-line advisors to better understand customers' initial and future needs. The platform allows them to gather information

Objective	2016 Results	2017 Results		2018 Target
		(target in brackets)	Progress	
Deliver legendary customer service Legendary Experience Index – TD Composite Score ¹	45.3%	44.4% ¹ (43.8%)		61.93% ²

 Met  On track  Did not meet



ANALYST CORNER

To Our Customers

Codes of Conduct and Public Commitments

TD Ombudsman Annual Report

Problem Resolution Process

TD Ombudsman Office

600k+

Number of customers across North America that provided feedback through our Legendary Experience Index, exceeding our (LEI) target for 2017.

¹ In 2017 the calculations for the TD Bank Group Composite score were modified to account for TD Canada Trust Branch Banking weight change and TD Business Banking inclusion.

² Significant methodology changes during 2017-2018 do not allow comparisons to previous years' performance. Key changes include transition from phone to email survey, survey question scale change, and key metric change for Wealth, Insurance and Business Bank.

2.1 Customer Experience (continued)

Customer problem resolution	2017	2016	2015
Canada			
Number of problems referred to Branch Banking Customer Care	9,630 ¹	7,723	6,447
Number of customers who contacted TD Office of the Ombudsman	4,245	4,331	3,922
Number of complaints requiring investigation by TD Office of the Ombudsman	779	749	637
Percentage of problems resolved by TD Ombudsman within 90 days (target 90%)	97%	95%	98%
Problems investigated by the OBSI ² and ADR Chambers Banking Ombuds Office	187	176	106
U.S.			
Total number of problems referred to the Chairman's Service Center	8,927	8,622	8,596
Percentage of escalated customer problems resolved by the Chairman's Service Center within designated service level agreements (target 98%)	98%	98%	98%

from customers to consistently deliver more personalized, comprehensive information by guiding customers through a series of simple questions to get to know them better and understand their financial goals.

Value for Money initiative

In 2017, we launched our Value for Money framework in Canada to help customers better understand the value of TD's products and services. The framework includes guidelines to help TD's product leaders evaluate pricing decisions more effectively while also improving the way we communicate pricing and value to customers.

Resolving problems

Our complaint resolution process is designed to help front-line employees resolve problems. When problems do arise, we strive to respond quickly, get the problem fixed and address the root cause. If an issue is more complex or a customer is still not satisfied, TD provides a transparent, easy-to-follow escalation process. This process enables customers to file a complaint regarding a potential violation of a code, regulation or commitment through the TD Office of the Ombudsman (Canada) or the Chairman's Service Center (U.S.).

- In Canada, we experienced an increase in complaints recorded last year, as a result of a number of factors, including a shift in consumer willingness to escalate complaints and steps TD has taken to broaden the avenues through which complaints are received. The increased complaint activity enables TD to better identify customer irritants. The top three complaints in bank branches were customer

service, decisions and errors. Complaints received by the Office of the Ombudsman grew by 4% in 2017 over the prior year (compared with 18% growth in 2016), giving us confidence that this year we are doing a better job at resolving problems early in the escalation process.

- In the U.S., there was a 4% increase in complaints referred to our Chairman's Service Center in 2017. Complaint tracking was expanded last year to capture additional lines of business and other sources such as social media, which contributed to the increase. Primary drivers of complaints regarding our retail store and phone interactions were customer service, account discrepancies/errors and product knowledge.

Ready to provide more ways to communicate concerns

In 2017, the Office of the Ombudsman hosted the first TD Complaints Forum and interactive Knowledge Café brainstorming session for employees, bringing together TD's CEO and other senior leaders, alongside employees responsible for resolving customer complaints. The Forum harnessed their collective expertise to explore how we can further improve our approach to responding to feedback and handling complaints.

As part of our LEI improvements discussed earlier, we introduced Closed Loop Feedback in both Canada and the U.S. This allows for a customer to request a follow-up call from us should they indicate they had a poor experience when completing an LEI survey. Frontline managers and/or Closed Loop Feedback teams are notified of the issue, and reach out to our customers to



"People don't live to bank – they bank to live. And our job is to help them achieve their goals and make their lives better. We need to deepen our insights to ensure we're operating with a customer-centric mentality and that every experience delivers on our brand promise. It's about finding more ways to create value by removing irritants and finding ways to get closer to each of our customers."

Bharat Masrani,
Group President and
Chief Executive Officer

¹ Increase due to expansion of avenues through which we collect complaints.

² Ombudsman for Banking Services and Investments.

2.1 Customer Experience (continued)

discuss their feedback as quickly as possible. Closing the loop with our customers who have asked to hear from us gives us unique and differentiating opportunities to understand their concerns and learn about how we can improve.

Digital innovation: Building the bank of the future

With more than 11.5 million digitally active customers, TD is ranked among the world's leading online financial services firms. In Canada, TD had the highest number of mobile unique visitors accessing financial services over the full fiscal year to date (November 2016 to September 2017).²

Our focus on accelerating digital innovation continued in 2017. Among the year's important initiatives:

- We established our own Innovation Centre of Excellence, which has a North American mandate and close to 100 digital design experts focused on creating impactful and meaningful customer-centric experiences.
- TD joined forces with Kasisto, a conversational artificial intelligence (AI) platform, to integrate its leading technology into the TD mobile app. New features will include chat-style customer support and in-the-moment spending insights for Canadian customers. We believe AI will play a key role in helping us create new personalized banking experiences.
- All of our Canadian branches now have WiFi and iPads, and we doubled our network capacity – improving customer response times by more than 50%.
- We signed an exclusive, national agreement with the Canadian Real Estate Association – delivering live real estate listings that match a customer's budget and desired neighbourhood using our digital TD Mortgage Affordability Calculator. Designed to help portray the costs of home ownership, the calculator illustrates affordability in customer terms – identifying how much they may be able to afford and showing them actual homes for sale on realtor.ca.

- In the U.S., we launched TD Voiceprint, which allows customers to authenticate their identity by the sound of their voice. Since October 31, 2016, 1.28 million customers have enrolled in the service and it has been used over 4 million times.
- In our Insurance business, we launched TD MyAdvantage, an app that helps customers save money on car insurance by encouraging them to develop safer driving habits. Take-up has exceeded expectations as customers love the way the app tracks driving habits, provides a score after each trip, and allows them to lower their premiums through safe driving behaviour. Customers also get an automatic 5% discount upon enrollment.

We're also investing in the talent required to foster a thriving innovation ecosystem to ensure that we are ready for the future.

PERFORMANCE IN 2017

- We announced a unique program to support young fintechs and start-ups at the seed stage with funding and assistance with their patent applications. TD is the first bank in North America to offer a non equity-based program specifically supporting the rigorous patent application process in Canada, the U.S. and elsewhere.
- We committed to supporting the Vector Institute, a world-class collaboration between academic institutions, incubators, accelerators, start-ups, scale-ups and established companies that will advance AI research and drive the adoption and commercialization of AI technologies across Canada.
- We pledged funding for a new financial innovation hub at the University of Toronto's Rotman School of Management, which will incubate ideas for financial applications of blockchain technology, machine learning, big data and quantum computing.
- We announced funding for new programs at Western University in London, Ontario, including the creation of an Analytics Hub, a Professorship in Data and Analytics, and a Women in Data Analytics Bursary.

TD's WebBroker is the top-rated self-directed platform among the Canadian Banks, according to the Globe and Mail¹

1 Source: <https://www.theglobeandmail.com/globe-investor/online-broker-rankings/the-globe-and-mails-17th-annual-online-broker-ranking/article27571960/>

2 Source: comScore, Inc. Mobile Metrix, Canada, Home & Work, Persons: 18+.

2.2 Product and Service Responsibility

G4-FS7

G4-FS14

G4-PR3

Why It's Material to TD

Our customers expect us to offer financial solutions that enrich their lives. We consider our customers' needs when we design our products, services and communications so that consumers will continue to view TD as an authentic and trusted brand. Increasingly, stakeholders expect TD to consider the environmental, social and economic impacts of our products and services and will choose to invest in us, work for us or bank with us based on our efforts and progress.

MANAGEMENT APPROACH

Our goal is to design products and services that meet customers' financial needs. In planning and developing our products, services and communications, TD often uses consultations with consumers (both customers and non-customers) to get their feedback and input. We also engage with stakeholders, experts and representatives from across industries to provide perspective on various initiatives. Developing and marketing products and services that meet our customers' financial needs is a shared accountability across our Product Groups, Distribution Channels, Compliance, Marketing and Citizenship departments.

PERFORMANCE IN 2017

Clear language and customer communication testing

Using clear language is a cornerstone of delivering a legendary customer experience. We want our customers to properly understand their financial rights, obligations and how our products and services work so they can make informed financial decisions. In Canada TD has Clear Language Principles that guide our employees and a Clear Language Basics course to help train employees when writing customer documentation.

In 2017, in Canada we undertook an exercise to enhance the way we communicate to customers via letter and email. Using customer surveys and focus groups, we tested 12 priority communications about account changes and credit cards, and the feedback helped us develop a list of 16 best practices to use in future communications to customers.

Responsible sales practices

Our products and services are designed to meet our customers' needs.

- Across our businesses, we have checks and balances in place, to support adherence to our corporate values and selling practices.
- Employees who interact with customers receive training on product features, Know Your Customer policies, and compliance with regulatory requirements.
- Branch and phone-based sales representatives are trained to use online discussion tools in their conversations with customers, and these tools prompt employees to discuss with our customers their financial needs and the various options to meet them, ask the right questions and suggest appropriate solutions.
- We have established a Value for Money framework in Canada that we use to develop products and services that give customers clear value choices. The value that customers receive for the price they pay is also explained to employees so they can help customers make informed choices that best meet their needs.

More than 85,000 colleagues come to work every day to serve millions of customers with excellence and integrity, and we are proud of what they do. Earning the trust of each customer is something we do not take for granted. That is why we undertook a robust review of our sales practices following media stories that simply did not reflect our values. We did not find a widespread problem with people acting unethically in order to achieve sales goals. Still, we identified ways to improve processes, and have implemented a plan to do so. Over the past year, we have taken measures to further strengthen our internal controls and policies and remain committed to enriching the lives of our customers through services and advice to support their financial future.



ANALYST CORNER

To Our Customers

Codes of Conduct and Public Commitments

Understanding Tied Selling

Product Information

Green Banking

TD Environment Policy

2017 Green Products

2.2 Product and Service Responsibility (continued)

G4-FS8

In October 2017, in Canada, we launched an automated notification process for several of our products and services, which informs customers when they have made a new purchase or changed an existing product or service. The notification includes a customer problem resolution contact number to encourage customers to contact us if they don't recognize the account change. We have also expanded our sales monitoring capacity, controls and techniques, and continue to take action to investigate and address any issues with employees and customers.

We continue to reinforce our Leadership messaging around integrity and TD's Code of Conduct and Ethics, which emphasizes our imperative to act ethically and with integrity. And, we continue to review and enhance our Performance Management Framework to ensure our employees are recognized and rewarded for doing the right thing for our customers. Finally, we take any issues or concerns raised by or about our employees very seriously. We promptly deal with any related concerns brought forward to us through the robust communication channels in place.

Helping customers save

Recognizing the importance of saving to long-term well-being, TD offers many resources to help customers build healthy savings habits:

- We offer free automated savings plans. Simply Save is one example, which helps customers save money every time they use their debit card. During 2017, TD Canada Trust customers saved \$4.3 billion through automated savings plans, up from \$4.1¹ billion the previous year.
- The Canada Learning Bond (CLB) is a government grant that encourages customers to save for a child's future education. We facilitated \$15.8 million in CLB payments in 2017.

- We continue to work with SmartSAVER, a non-profit organization that helps eligible Canadian families start saving for their children's education.

Caring for customers facing financial hardship

We strive to be responsive and sensitive to customers facing financial challenges. We encourage customers to talk to us so we can help them get back on track before it's too late. The practical solutions we offer include credit and repayment options that help personal and small business customers avoid potentially more costly alternative means of financing; as a result, we retain customers and avoid losses. In 2017:

- In Canada, we restructured \$77.9 million in loans, which helped ease payments for 20,724 customers.
- In the U.S., we restructured US\$172.9 million in troubled real estate assets, which helped 1,181 customers.

TD Economics published an important report on growing income volatility in Canada to raise awareness of this emerging issue which adversely affects Canadians' financial planning, saving and overall financial health. [Read it here.](#)

Providing green banking choices

We've created a range of green banking choices to help our customers respond to environmental challenges. Available across our business lines, these choices include paperless banking and insurance for hybrid and electric vehicles. More details are provided in the Environment section of this report.



\$15.8m

In 2017 we helped families save \$15.8 million in a child's future education by facilitating payments to The Canada Learning Bond (CLB).

Paperless banking	2017	2016	2015
Number of online statement accounts, in millions	11.5	10.4	7.4
Paper statements stopped, in millions	112.3	97.8	78.9
Paper documents stopped (TD Waterhouse), in millions	34.7	31.6	29.1
Insurance for hybrid and electric vehicles	2017	2016	2015
Number of active hybrid and electric vehicle discounts	20,620	17,777	16,605
GHG reduction by TD Auto Insurance customers ²	10,819	7,268	7,601

¹ 2016 data has been restated to conform with the calculation methodology adopted for 2017.

² Estimated reduction in GHG emissions by TD Auto Insurance customers through the use of Hybrid and Electric vehicles.

2.3 Financial Access and Inclusion

G4-FS13

G4-FS14

G4-EC8

Why It's Material to TD

We recognize that access to banking is a critical enabler of social and economic progress. We continue to remove barriers and make banking more accessible and inclusive. Our investments in this area are part of a win-win strategy that benefits both consumers and our company in terms of business growth and deeper customer relationships.

MANAGEMENT APPROACH

TD serves more than 25 million customers globally. Providing services that are accessible, affordable and inclusive for all, including vulnerable and underserved populations in the financial system, is a key management priority.

- TD is involved in many innovative programs to help remove social and economic barriers to the financial system, including TD's financial education initiatives, which are discussed in other sections.
- Our investments in mobile technology have opened new paths for underserved populations, improving and expanding delivery of financial services and enabling them to participate in a digital-driven economy.

The fundamental values of inclusion and diversity are ingrained in the [TD Framework](#) as well as our corporate policies and business practices and are supported by our Corporate Diversity Office and, at the highest levels, by TD's Inclusion and Diversity Leadership Council (IDLC), which reports to the Group President and CEO.

PERFORMANCE IN 2017

Low-income customers

TD continues to provide affordable access to essential banking services for lower-income individuals. Here are highlights:

Canada

- We offer a low-fee, basic banking account, which is free for seniors collecting government income security and for beneficiaries of registered disability savings plans (RDSPs). In 2017 we created a support centre of excellence to increase advisors' ability to support customers who are benefiting from RDSPs.
- We provide unlimited transactions for our youth accounts and a free TD Student Account for all customers enrolled in full-time post-secondary studies.

- We provide seniors discounts on all of our fee-paying accounts.
- We open personal accounts regardless of whether a person is unemployed, is or has been bankrupt or is unable to make an initial deposit, subject to required conditions.

U.S.

- We have a low monthly maintenance fee account (TD Simple Checking) that does not require a minimum deposit balance and we also have another account (TD Convenience Checking) with a low US\$100 balance requirement to avoid monthly maintenance fees.
- Students under 24 years of age can get a free checking account (TD Student Checking) that also includes a free savings account.
- Our account for seniors (TD 60+ Checking) offers a low US\$250 balance requirement to avoid monthly maintenance fees, as well as free personal check orders and free cashier's checks.
- One of our strategies to increase access to key financial services is to provide more ATMs in Low-to-Moderate Income (LMI) neighborhoods. We installed 98 cash dispensing and deposit-taking ATMs during 2017 in these areas across multiple markets.
- We provide several mortgage loan programs to benefit low-to-moderate income and first-time home buyers who do not have the funds for a large down payment. For example:
 - In 2017, TD Bank's Right Step Mortgage® program, which features a low 3% down payment option and no borrower paid mortgage insurance, helped 583 customers borrow US\$109.2 million toward the purchase or refinancing of their homes.
 - In 2017, we closed 706 HomeReady loans totalling US\$110.1 million.



ANALYST CORNER

Diversity Governance

Serving Diverse Needs

Low-Cost Banking Options

TD and Indigenous Communities in Canada

Codes of Conduct and Public Commitments

2.3 Financial Access and Inclusion (continued)

Opening doors to home ownership through affordable loan programs

Owning a home has been a dream for Chris Woolridge, a swimming coach at Keene State College in Keene, New Hampshire. Now 34, he hadn't expected his dream to become a reality before turning 40. But with Fannie Mae's HomeReady affordable mortgage program, and a loan through TD Bank, he has been a proud homeowner in Jaffrey, N.H. since late last year.

"When I got the key, it felt surreal," Chris says about that day he became a homeowner. "I was more or less in shock. I couldn't believe I was actually in my very own home." Chris first started looking for a house in 2015. He spoke to Becky Ryll, a TD mortgage loan officer, and went through the pre-approval process, but the HomeReady loan wasn't available yet. His salary was less than \$60,000 and he didn't have a 20% down payment, so he reluctantly put his plans on hold.

But things changed in 2016 when he found a house he really liked. He went back to talk to Becky again and learned about a new mortgage program tailored to low- to moderate-income individuals and families. While many customers like Chris, who have steady jobs, savings accounts and big dreams, may not identify as "low- to moderate-income" borrowers, they can often use a hand in expensive real estate markets. Within six weeks, Chris closed the deal on a US\$230,000 home with a US\$12,000 down payment. He loves his new home, and he's even able to continue putting some money into his savings account after making his mortgage payment.

"One of the key features of the HomeReady program is its low down payment and financing up to 97%," says Fannie Mae product development manager Sharmila Srivastav. "In addition, the down payment can come from multiple eligible sources, including gifts from parents or relatives."

The HomeReady mortgage product plays an important role in TD's commitment to meeting the credit needs of individuals who may not otherwise have an opportunity to own their own homes.



Right Step Mortgage®

Our program featuring a low 3% down payment option, helping 583 families purchase or refinance their homes.

Designing Branches to Be Accessible

Accessibility and inclusivity are top priorities at our branches. In 2017 we updated the TD Accessibility Policy to ensure that we are always ready to meet everyone's needs.

People with disabilities

- We collaborated with Canadian research firm Ipsos in 2017 to create the first consumer disability panel in Canada. Research results from the panel are being used to inform a plan that will better meet the needs of this important customer segment.
- We also partnered with the Centre for Addiction and Mental Health to pilot a customer service training program for front-line employees to increase understanding and confidence when interacting with customers who have mental health challenges.
- This past year we updated the TD Accessibility Policy to ensure that we are always ready to meet everyone's needs. Accessibility is considered in the design of our facilities and all new technologies we build or buy. TD's touch screen ATMs are fully audio-accessible with headphones for people with visual disabilities. All customer-facing employees receive training about TD's accessibility services as part of their ongoing customer service training.

Looking ahead to fiscal 2018:

- In select branches, TD is rolling out American Sign Language (ASL) on its in-branch tablets to improve support for customers who are deaf. A LanguageLine app will give employees and customers access to over 200 languages.
- We will participate in the CNIB's ShopTalk pilot using an app called BlindSquare, a revolutionary assistive technology for individuals who are blind or visually impaired. In the Yonge and St. Clair area of Toronto, BlindSquare technology will enable TD customers who are blind or partially sighted to safely and confidently find branches and navigate their layouts.

2.3 Financial Access and Inclusion (continued)

Newcomers

Access to banking is a critical part of helping newcomers feel welcome and included. In Canada, TD offers:

- Service in over 200 languages through LanguageLine
- 2,800 ATMs in multiple languages
- A [New to Canada website](#) in 14 different languages that provides immigrants with the information and resources they need to build a financial foundation in Canada
- To help people start their new life journey, we have a New to Canada banking package, which we upgraded in 2017 to include an unlimited chequing account with no monthly fee for six months and a credit card with no credit history required.
- We also recently launched the ability for new-to-bank customers to open a chequing account digitally without having to visit a branch.
- This past year, TD became the first Canadian bank to offer its mobile banking app in Chinese so we can better serve the more than one million Canadians who identify Chinese as their mother tongue.

LGBT customers

- In 1994, TD became the first Canadian bank to provide same-sex spousal benefits for employees. Similarly, TD continues to drive efforts to be a leader in providing an inclusive and welcoming environment for LGBT customers.
- TD has business development market leaders in key Canadian cities who specialize in serving the LGBT community.
- Our advertising in branches, stores and mainstream publications reflects the diverse faces of the LGBT community.
- In 2016, in Canada, we adopted gender-neutral washrooms and signage as a building design standard for new and renovated retail locations. These single-occupant, accessible restrooms are available for use by anyone, regardless of their gender identity or expression.
- In 2017, we supported financial education for the LGBT community through financial advice magazine columns and monthly radio segments on LGBT media outlets.

Indigenous Peoples in Canada

Our goal is to be the bank of choice for the Indigenous population, and we continue to deliver projects and services needed to both build and sustain prosperity in Indigenous communities. For more information, please read our 2017 Report – TD and Indigenous Communities in Canada.

TD named
Corporation
of the Year by
the Canadian
Gay & Lesbian
Chamber of
Commerce



2.4 Financial Education

G4-FS13

G4-FS16

Why It's Material to TD

With so many choices available for saving, spending, borrowing and investing, financial decisions are becoming more complex – making financial education more important than ever. TD's own market research showed us that customers of all ages, demographics and income levels struggle to have confidence in their financial decisions.¹

MANAGEMENT APPROACH

TD is ready to be a leader in financial education as we believe we have an important role to play in helping people from all walks of life improve their money skills. This goal aligns with our brand promise of driving financial confidence, which in turn is a driver of people's confidence in the future.

In Canada, we formed the Financial Education Council several years ago to oversee financial education activities across TD, and in 2017, we appointed TD's first-ever Vice-President, Financial Education. This dedicated executive resource was assigned to accelerate our progress, create greater accountability and assist in embedding financial education in everything we do. In the U.S., our Community Development Services team is responsible for driving and tracking the bank's financial education initiatives.

PERFORMANCE IN 2017

Canada

- We have created a variety of resources, such as the ['ReadyForYou' website](#) and the TD Smart Money Toolkit, to help parents spark money-related conversations with their kids, as well as to help people learn about financial life milestones like buying a home and becoming a couple.
- TD continued its support of Prosper Canada, a national charity, to co-sponsor the Centre for Financial Literacy. Its goal of sustainable financial empowerment and well-being for Canadians living in poverty is accomplished through working to improve the financial knowledge and well-being of vulnerable Canadians. TD's commitment with Prosper Canada comes with a goal of reaching one million Canadians by 2022.

- In late 2016, we introduced the TD MySpend app in Canada as a way to empower our customers when it comes to their finances. The app provides customers with a better understanding of their spending so they can make more informed decisions in the future.
- In 2017, we unveiled the latest version, TD MySpend 2.0, with new features that address the top requests that TD received from our customers. These new features include Spending History, which enables customers to view their current month's spending compared to other months' patterns and trends, and Spending Spikes, which gives users the ability to zero in on spikes in their spending to understand how and why they've gotten off track.
- Every November during Canada's Financial Literacy Month, we ramp up our financial education efforts, and 2017 was no different. Our kids and money campaign was key to helping build money confidence through being ready to support skills for kids, based on the insight that "Kids who don't understand money become adults who don't understand money." We conducted a survey to learn how parents currently talk to their kids about money, and wove those insights into a variety of articles. The campaign also included TV spots, online videos, social media, community outreach and posters in branches and high-traffic locations such as subway stations. Branches were provided with starter kits to use with customers, which included giveaways such as personal savings calculators and Money Fun activity books for children ages 7–12.



ANALYST CORNER

TD Helps

'ReadyForYou' website

Finance 101

Tax Resource Center



One million

Registered users of the TD MySpend app

¹ TD Economics Report: [Financial Literacy: Millennials are a wake up call to build a strong foundation](#) (p3-5)

2.4 Financial Education (continued)

U.S.

- **TD Bank Learning Center:** Since October 2016, TD U.S. customers and consumers at large have had access to interactive financial education content 24/7 – from any mobile device or computer. With a variety of topics available, customers can learn any time, any place – with the opportunity to learn key financial concepts and skills in less than 10 minutes. TD representatives can introduce customers to our Learning Center in each of our stores via tablet – bringing just-in-time financial education alongside financial advice. In 2017, a new digital lesson, Mortgage Modification, was custom-created by TD leaders and EverFi. The first of its kind, this module helps learners facing financial challenges understand options that keep families in homes, avoiding outcomes like foreclosure.

TD Bank Learning Center

- **National Financial Literacy Month:** During National Financial Literacy Month in April, we increased efforts to speak about financial wellness, using videos, articles and worksheets for customers and our own employees and their families. Topics such as credit and financial caregiving were promoted to inspire financial goal-setting and positive actions.

- **Employee financial education:** Newly hired tellers now receive financial education on budgeting and credit as part of their required training. Each month, all employees can engage in a new financial topic – from retirement planning to managing joint finances with their significant other. In 2017, TD brought nationally recognized speakers to our TD employees by way of live events and online chats to support our team members with their personal finance questions.
- **Tax Resource Center:** Our Tax Resource Center provides a one-stop source for our U.S. customers to gather resources and information on tax filing. The centre provides educational content including an interactive guide, videos, calculators and tips, along with important dates and reminders regarding TD Bank tax documents.

Tax Resource Center



Rina DeGrazia

VP Financial Education

“Financial know-how is an essential life skill. By educating our colleagues and customers, and supporting financial literacy programs in the community, we’re working hard to help people gain that know-how to reach their financial goals.”



Watch the video

to hear from customers about their experiences with TD MySpend, and how it’s influencing their daily lives.



3.0 Colleagues

Material topics in this chapter

- 3.1 Employee Engagement
- 3.2 Inclusion and Diversity
- 3.3 Health and Well-Being

2017 Highlights

One of Canada's Top 100 Employers for the 12th consecutive year

Recognized by Great Place to Work as a certified Great Place to Work

For the fifth consecutive year, TD was listed in DiversityInc's Top 50 Companies for Diversity in the U.S. and also ranked among Top Companies for Global Diversity and Top Companies for People With Disabilities

Named one of Canada's Best Diversity Employers 2017

3.1 Employee Engagement

G4-10

Why It's Material to TD

To be the better bank for our customers, our shareholders and the communities in which we operate, we first need to be the better bank for our colleagues. We're committed to providing colleagues with work that matters, opportunities that exceed their expectations and leadership that inspires.

MANAGEMENT APPROACH

At TD, we have a strong commitment to developing our colleagues and creating an environment where great people thrive. This is a vital part of our business strategy and one of the ways we strive to differentiate TD as a best employer. We measure our performance through our employee engagement score, voluntary turnover rates and recognition from external benchmarking organizations.

To cultivate a highly engaged workforce, we:

- Empower employees to think like a customer and act like an owner to enhance our brand
- Work closely with employees to understand and respond to what matters to them
- Involve our employees, managers and leaders in helping to design and deliver a positive, inclusive work environment
- Provide opportunities for skill development and career advancement, and focus on building our next generation of leaders through TD's Global Leadership Program
- Communicate openly and regularly about TD's vision, values, business strategy and culture – encouraging dialogue across the organization

PERFORMANCE IN 2017

Objective	2016 Results	2017 Results (target in brackets)	Progress	2018 Target
Provide a great place to work	Increase Employee Engagement Index	✓ 81%	✓ 82% (82%)	● 82%
	Reduce average turnover	✓ 20.08%	✓ 20.04% (reduce year over year)	● Reduce year over year

● Met ● On track ○ Did not meet

Workforce at a glance
(as of Oct. 31, 2017)

Global Employees
87,665

Employee Age Profile (Global)

12.7%	under 25 Years
75.1%	25-54 Years
12.2%	55+ Years

Employees by Region

59,424	Canada
27,653	U.S.
588	International

ANALYST CORNER

Code of Conduct and Ethics

TD Bank Group Workforce Profile

Developing Leaders

Campus Recruitment

3.1 Employee Engagement (continued)

Listening to employees: Global survey results¹

Selected questions (% positive)	2017	2016 ²	2015 ²
Employee Engagement Index (EEI) Composite:			
My work gives me a personal feeling of accomplishment.	79%	78%	77%
I plan to be with TD one year from now.	83%	81%	81%
I am proud to say I work for TD.	85%	85%	85%

Global engagement survey

We're proud to report continued high scores in our annual global engagement survey, in which employees comment on more than 30 aspects of their current work experience. Senior management and the Board monitor survey results closely. People managers throughout TD actively use the feedback to drive ongoing improvements in our workplace practices to ensure TD continues to deliver on our value proposition for employees.

- There was a high survey participation rate of 87%.
- 82% of our employees reported being engaged. The actual engagement score on a five-point rating scale was 4.22 in 2017 compared to 4.18 in 2016 and 4.17 in 2015.
- TD employees consistently reported that they are proud to work for TD and they feel supported by their manager. They also felt that TD shows genuine commitment to both our customers and the communities in which we operate.

Retention

Another way we measure employee engagement and satisfaction is through our ability to retain top talent. TD's average global turnover decreased slightly last year – from 20.08% in 2016 to 20.04% in 2017.

TD's voluntary turnover in Canada remains within the normal range³ of our peer group and reflects TD's longer-hours business model, which requires a higher complement of part-time employees. Voluntary turnover rates tend to be higher in U.S. banks. While overall retention in the U.S. has improved over the past few years, it continues to be a top priority for 2018.

Employee turnover (%)	2017	2016	2015
Average global turnover rate	✓ 20.04	✓ 20.08	✓ 21.34
Canada			
Voluntary ⁴	✓ 13.77	✓ 11.84	10.95
Involuntary ⁵	✓ 2.15	✓ 4.50	4.95
Retirement	✓ 1.29	✓ 1.22	1.48
Total	✓ 17.21	✓ 17.56	✓ 17.38
U.S.			
Voluntary ⁴	✓ 18.87	✓ 18.34	22.61
Involuntary ⁵	✓ 4.84	✓ 6.43	7.31
Retirement	✓ 0.55	✓ 0.57	0.68
Total	✓ 24.26	✓ 25.35	✓ 30.42

1 Percentage of respondents who agreed or strongly agreed with the statement.

2 2015 and 2016 data has been restated due to corrected information.

3 According to a comparison of the Big 5 Banks in Canada, conducted by PWC in 2015, the average voluntary turnover rate was 11.52%. Source is a syndicated survey where all banks are measured using common criteria.

4 A voluntary exit from TD occurs when the employee chooses to leave TD.

5 An involuntary exit from TD occurs when employment is terminated.

3.1 Employee Engagement (continued)

Human capital development

In 2017, we invested \$81.8 million globally in training and developing our employees. The average number of days of training invested per person increased by 45% from 3.5 to 4.8 days.

To help employees be – and do – their best, we provide wide-ranging opportunities and resources to support every stage of an employee’s career journey, including regular career coaching, mentoring, in-house training and tuition subsidies for external courses. Employees receive individual performance reviews every six months and can also provide confidential feedback on their manager’s performance. Highlights from 2017 include:

- An upgraded learning management system called MyLearning
- A new, mandatory Code of Conduct training course
- More than 2.4 million online courses completed by employees to further their development
- Over 110,000 courses completed by TD executives and managers improving their ability to apply TD’s business strategy, leadership values, culture and talent priorities
- More than 1,800 employees benefiting from our Short-Term Assignment Policy, which lets them apply for assignments to build new skills and experiences without losing their status in their current role
- The launch of the Everyday Investing in You: Career Development in a Box, which provides critical plans for career development and success

Recruitment

We invest significantly to attract and develop “generation next.” For example, we:

- Provide paid internships and have co-op programs with colleges and universities
- Offer unique rotational programs for recent graduates that let them explore different career options at TD while building their network and knowledge
- Maintain a Management Associate Program that allows new hires to explore four roles in various lines of business during a two-year rotational program
- Partner with community organizations to support programs such as Career Edge that help employ young people and diverse groups
- Both interns and early-career hires receive mentorship from senior employees on career development.



“Looking back on my career at TD, I truly appreciate the many people who invested time in me when I didn’t even realize I needed it.”

Damien Ghee,
Team Leader,
Metro PA-SNJ
Middle Market Lending,
New Jersey

Investing in employee development (global)	2017	2016	2015
Investment in training (millions of dollars) ¹	\$81.8	\$83.8	\$83.4
Investment in training (dollars) per employee ¹	\$933	\$835	\$877
Amount employees received through TD’s Tuition Assistance for external learning (millions of dollars)	\$26.5	\$26.4	\$20.5
Average number of days of training ²	4.8	3.3	3.7
Average hours of training ³ per:			
Executive ⁴	31	35	29
People manager ⁴	44	30	22
Employee (non-manager) ⁴	39	24	24

- 1 Includes the courses available through TD’s MyLearning System, as well as external courses, certificates and accreditations.
- 2 An average day is considered eight hours for U.S. employees and 7.5 for all other employees.
- 3 Excludes training hours tracked outside of TD’s MyLearning System because the data is not available and cannot be reasonably estimated.
- 4 Executive includes TD job levels Assistant Vice President and above. People manager includes an employee who has one or more direct reports. Employee (non-manager) includes an employee who does not have any direct reports.

3.1 Employee Engagement (continued)

Digital innovation and talent

We're modernizing to create the workforce of the future. Our goal is to be more agile, efficient and creative and to have an innovation ecosystem in which we fully leverage the changes and opportunities of digital technologies.



2017 Highlights

We launched the Process Simplification Office (PSO) to support the bank's broader innovation strategy. The system contributes to simplifying and automating processes with the goal of creating frictionless, streamlined experiences for all of our customers and colleagues.

Multiple teams collaborated to create our new eComposition tool. The digital platform allows employees to quickly get data into the hands of customers in new and exciting ways – such as making account statements more visual, insightful and easier to understand.

Our corporate innovation lab at the Communitech hub in Waterloo, Ontario, helps businesses across the bank solve problems and explore cutting-edge FinTech solutions. In addition, we also have an innovation lab in collaboration with Cisco in Toronto.

We continued to offer Technology Co-op/Internship program and Technology Associate Programs to attract and develop scarce, high-performing talent in fields such as data science and analytics.

3.2 Inclusion and Diversity

Why It's Material to TD

We view inclusion and diversity as a business imperative in today's global market. It's how we attract and develop the best people, connect with our customers and harness a richer variety of experiences, perspectives and abilities that make our business stronger.

MANAGEMENT APPROACH

Since 2005, building an inclusive and diverse organization has been a formal business strategy at TD. Our goal is to create an inclusive bank that reflects the diverse communities we serve. We have embedded inclusion and diversity into every aspect of our business – from our workplace practices to our customer relationships and community involvement.

Governance

Our Inclusion and Diversity Leadership Council (IDLC), formed in 2005, is comprised of senior leaders across TD and is currently chaired by Riaz Ahmed, TD Bank Group Head & CFO. The IDLC sets the bank's inclusion and diversity strategy, oversees its progress and is supported by more than 300 leaders who are actively driving initiatives and outcomes through business subcommittees and regional councils.

Every three years the IDLC and its committees review the overall inclusion and diversity strategy, setting new three-year goals, objectives and supporting tactics. This past year concluded the 2015–2017 iteration of the strategy, and the plan for the coming three years (2018–2020) will include a continued focus on leadership and inclusion with accountability aligned to business objectives, where progress is measured on an annual basis.

Programs

A strong suite of diversity training programs, mentoring tools, resource groups, flexible work options, accommodations, and forums for sharing ideas and experiences underpins our approach. All new hires complete diversity and inclusion awareness training. TD's recruitment team proactively conducts outreach to attract candidates from diverse talent pools.



ANALYST CORNER

[Code of Conduct and Ethics](#)

[Our Commitment to Diversity](#)

[Diversity Governance](#)

[Serving Diverse Needs](#)

[Employment Equity Report- Canada only](#)

[TD and Indigenous Communities in Canada](#)

2017 Highlights

Scored 100% for the third consecutive year on the Disability Equality Index

Included in the Bloomberg Gender-Equality Index, for the second year in a row

Top score on the Corporate Equality Index for LGBTQ Workplace Equality

3.2 Inclusion and Diversity (continued)

Workforce Diversity at TD (%)					
Canada ¹		Labour Market Availability ²	2017	2016	2015
Women	Overall	53.0	✓ 57.1	✓ 58.0	✓ 59.6
	Senior management ³		✓ 39.8	✓ 37.3	✓ 35.7
	Middle and other management ⁴		✓ 44.2	✓ 44.2	✓ 45.0
Visible Minorities⁵	Overall	25.1	✓ 28.2	✓ 29.1	✓ 27.9
	Senior management ³		✓ 14.5	✓ 14.7	✓ 12.7
	Middle and other management ⁴		✓ 31.7	✓ 31.6	✓ 29.7
Indigenous Peoples⁵	Overall	2.0	✓ 1.2	✓ 1.3	✓ 1.3
	Senior management ³		1.4	1.7	0.9
	Middle and other management ⁴		0.9	0.9	0.9
People With Disabilities⁵	Overall	5.6	✓ 5.7	✓ 5.9	✓ 5.9
	Senior management ³		4.9	5.0	5.8
	Middle and other management ⁴		5.3	5.6	5.3
U.S. ⁶		Labor Market Availability ⁷	2017		
Women	Overall	61.16	63.5		
	Female executives ⁸		25.8		
	Female first/mid-level managers ⁹		53.2		
Minorities	Overall	27.19	38.7		
	Minority executives ⁸		15.1		
	Minority first/mid-level managers ⁹		26.1		

Promoting inclusive leadership and learning

We expanded our focus on building an inclusive and diverse organization by:

- Launching a new Inclusive Leadership program to reinforce the value of inclusion and teach managers actionable strategies to engage and leverage the full potential of diverse teams. More than 430 people managers completed the program in 2017.
- Introducing a new inclusive classrooms protocol across TD.
- Providing leadership development programs customized for LGBT and minority managers.
- Creating a TD Military Skills Translator tool for our recruiters to help them identify jobs at TD that would be a good fit for U.S. veterans based on their experience and skill set.
- Over 400 minority employees participated in our two-day Minority Leadership program. The program is supplemented with one year of group mentoring by members of the Minority Leadership committee.
- Continuing our North American strategy to increase our focus on developing and sourcing talent from the African-American/Black community, we launched Each One Teach One (EOTO) a mentorship pilot program aimed at guiding TD Bank's minority employee talent toward their career development goals while expanding their networks.

1 Includes all Canadian businesses and full-time and part-time employees.

2 Labour Market Availability based on 2016 Census of Canada.

3 Senior Management includes TD job levels Vice President and above who have signing authority.

4 The category of "middle and other management" as determined by the Canadian federal government for employment equity reporting: "middle and other managers receive instructions from senior managers and administer the organization's policy and operations through subordinate managers or supervisors." Refer to the Employment and Social Development Canada website for more information.

5 Data is voluntarily disclosed by employees.

6 Including all TD Bank NA employees, except ineligible ex-pat employees and employees on LTD. 2017 is the first year that TD has publicly disclosed diversity representation data in the U.S.

7 Labor Market Availability is based on 2010 US Census Data as calculated based on Affirmative Action regulations.

8 EEO-1 Category of 1.1 (A)

9 EEO-1 Category of 1.2 (B)

3.2 Inclusion and Diversity (continued)



Employees gather to show support for PRIDE in Toronto.

Growing participation in TD's networks:

Selected examples (North America)

1,200+

Members in the Indigenous online communities @ TD

2,500+

Members in LGBTQIA online communities

14,000+

Members in the Women in Leadership Network

Growing participation in building an inclusive culture

Participation in inclusion- and diversity-related events and networks continues to grow. For example:

- Over 1,200 employees participated in National Aboriginal History Month events. On Orange Shirt Day, thousands of employees across Canada wore orange to recognize survivors of the residential school system and honour the children who never came home.
- More than 1,000 colleagues joined in for TD's Women in Leadership (WIL) Mutual Mentoring event. Now in its second year, this global initiative aims to create stronger leadership at every level by partnering colleagues from different career stages to share insights.
- TD sponsored 57 Pride festivals and over 160 LGBT community initiatives across North America, engaging over 2,000 LGBT colleagues and allies as volunteers and community participants. As an example, at the Montreal Pride festival, 450 TD marchers participated in the parade.
- Opening meetings and events with recognition of traditional lands, an explanation of the significance of this recognition and a call to action for employees to learn more about the lands and First Peoples where they live and work.
- Providing opportunities for employees to engage with, support and learn from Indigenous communities and peoples through mentorship programs, the delivery of financial wellness curricula.

Our 50+ employee networks include:

Minorities in Leadership Network	Women in Leadership Mentorship
Latinos in Leadership	Working Moms and Dads Network
TD Korean Community Employee Network	LGBTQA Share Your Pride Network
Parents of Children With Disabilities Network	Veterans Employee U.S. Network
African American & Caribbean Leadership	Indigenous Employee Circle
Black Employees Network	AccessAbility

3.2 Inclusion and Diversity (continued)

PERFORMANCE IN 2017

We're finding new and creative ways to embed broader inclusion and diversity more deeply within the company's culture and infrastructure. It's about making all employees feel comfortable being their authentic selves within a culture built on respect and ensuring that inclusion and diversity are viewed as business responsibilities, not HR responsibilities. Our efforts continue to be recognized externally by many third-party organizations focused on these issues.

"There is no finish line. Inclusion is a permanent, unequivocal campaign. Everybody needs to feel that they can join the bank, that they can build a career at the bank and that they can bring their whole selves to the bank."

Teri Currie, Group Head, Canadian Personal Banking



Watch the video

Highlighting five lessons that TD has learned on its journey to becoming a more inclusive workplace, Teri Currie, Group Head, Canadian Personal Banking, recently delivered a keynote address at the 2017 Montreal Pride national conference on LGBTQIA2S rights. [Read Teri's full remarks](#) or [watch the highlights video](#).

Encouraging story sharing

TD employees and executives alike have demonstrated courage and incredible enthusiasm. They are using internal blogs, online discussion forums, videos and events – to share stories that typically and historically have not been part of the workplace conversation. From stories of mental health challenges or physical disabilities, about being Black, Indigenous or Trans, the openness of people at TD has been an inspiration to our global workforce and is helping to shape our organization.

In 2017, we launched a series of videos, including "Moments of Truth" and "I am Indigenous". These videos share the unique and personal experiences of employees creating further awareness and a more open dialogue in the workplace.

Toward gender equality

Achieving gender equality is one of the United Nations' Sustainable Development Goals, and is a priority for TD as well. In Canada, we launched a new women in leadership strategy, with a target of 40% women in senior leadership roles by 2020. In 2017, representation of women at VP levels and above was 39.8%, up significantly from 37.3% in 2016. Internal survey results show women and men share equally high confidence in meeting career objectives with TD.

TD's Women in Leadership Network – our largest employee network with more than 13,000 women across North America – champions gender balance and career development. Through our millennial women listening tours, which included more than 15 sessions with over 250 women, we found that women were looking to build and grow their confidence, increase transparency, build their professional development, and support life obligations and goals.

TD also works to publicly champion and build awareness of gender equality issues through our participation in initiatives such as the 30% Club, a collaborative effort of business leaders to improve gender representation in corporate governance.



39.8%

Percentage of TD senior leaders in Canada who are women.

Through our participation in initiatives such as the 30% Club, TD works to build awareness of gender equality issues and improve gender representation in corporate governance.

3.2 Inclusion and Diversity (continued)

Building a disability-confident organization

At nearly 6%, we're proud that TD has the highest representation of employees with disabilities among Canadian financial institutions.¹ We are currently working to evolve the conversation about disability from accommodation to contribution.

“As a Disabled Veteran, I know TD Bank has my back. When I was placed on orders for Active Duty assignment very early in my career at TD Bank, TD and my leadership team supported me every step of the way. When I was diagnosed with Young-Onset Parkinson’s Disease TD Bank and my leaders once again far exceeded my expectations in the level of care and support they provided to me. In spite of all of the challenges that come my way with having a neuro-degenerative disease at a young age, TD’s policies and culture are clearly what keeps me in the workforce and contributing to our shared success.”

Chris Maynard,
VP, Business Excellence Program Lead, TD

We attribute our progress in part to our work with employment outreach organizations across North America, such as:

- Specialisterne, an organization that helps companies hire individuals on the autism spectrum or who face employment barriers.
- U.S. Business Leadership Network, a national non-profit that helps business drive performance by leveraging disability inclusion in the workplace, supply chain and marketplace. Through our involvement in their Going for the Gold program, we continue to increase our hiring of individuals with diverse abilities.

Respecting human rights

In every country in which TD operates, we support and respect the protection of human rights. We also share the values reflected in international proclamations about human rights, such as the Universal Declaration of Human Rights.

We adhere to and, in many cases, exceed all applicable labour laws and standards addressing issues such as equal pay, hours of work and child labour. TD’s Respectful Workplace Policy and our Health and Safety Policy articulate our commitment to providing a work environment free from any form of harassment and unlawful discrimination, where every employee, customer, client and independent contractor is treated with dignity and respect. TD’s employees are the heart of everything we do, and we encourage an inclusive and diverse working environment. TD’s model is one of employee engagement, and we encourage open dialogue to help us create a positive working environment where all employees can thrive.

Under the TD Code of Conduct and Ethics, every employee and director of TD is expected and required to assess every business decision and every action on behalf of the organization in light of whether it is right, legal and fair. Robust internal investigation and escalation processes are followed when concerns are raised regarding harassment, unlawful discrimination or other conduct that would contravene these policies. Employees and Directors attest to compliance with these policies on an annual basis.

We promote Indigenous rights and support the principle of free, prior and informed consent (FPIC), with our commitment reflected in TD’s Environmental Policy and Environmental Management System. Our Human Rights Working Committee meets regularly to understand relevant issues and is responsible for updating the [TD Bank Group Slavery and Human Trafficking Statement](#).



5.8%

of Canadian workforce with disabilities – highest among the banks.

2,385

North American employees received workplace accommodations in 2017, of which 33% involved pieces of assistive technology.

¹ Based on annual employment equity data from Employment and Social Development Canada.

3.3 Health and Well-Being

G4-EC3

Why It's Material to TD

We recognize that for employees to perform at their best, they need to be healthy, happy and supported in managing their work/life demands.

MANAGEMENT APPROACH

Protecting and promoting the well-being of our employees is part of our effort to provide an extraordinary workplace. To achieve this, we have extensive programs in place to help employees assess, manage and improve their well-being in three critical areas: physical, financial and mental.

Physical well-being

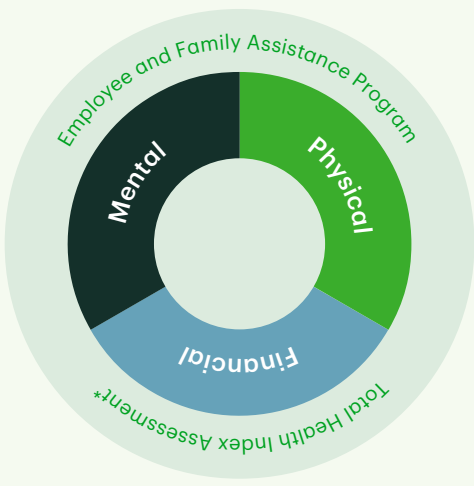
TD has a clear North American Health and Safety (H&S) policy and a dedicated H&S management system and delivers regular training and communications to keep managers and employees informed.

- In Canada, the H&S team, a National Policy H&S Committee, and people managers and H&S representatives in each location across the country, work with employees to ensure H&S programs support applicable regulations and are effective across our operations.

- In the United States, the same goal is achieved by the Safety team with support from Safety Committees, Human Resources, people managers and cooperation from all employees to ensure a safe working environment.

The TD Benefits plan is designed to provide employees with essential benefits to help protect them from extreme financial hardship. Since each employee has different needs and their needs change as their life changes, the plan also provides employees with a range of optional coverage so they can choose the benefits package that's right for them and their families. Each year, TD provides employees with benefit credits to help pay for coverage.

TD's Approach to Well-Being



Examples of benefits:

Physical Well-Being


- Benefit plans
- Wellness account
- Seasonal flu coverage
- Insurance coverage
- Workplace accommodations
- WELL building standard
- Health and safety

Financial Well-Being

- Compensation
- Employee savings plans
- Share ownership plan*
- Pension/401(k)
- Scholarship programs
- Incentive plans
- Discounts and banking benefits
- Tuition reimbursement

Mental Well-Being

- Vacation/PTO (paid time off)
- Reward and recognition
- Leave policies
- Flexible work options
- Volunteer grants
- Emergency child care*
- Employee ombudsman
- Critical incident response



ANALYST CORNER

Summary of Benefit Programs

TD's Approach to Compensation

Code of Conduct and Ethics

Whistleblower Hotline

TD's Approach to Job Transition

*Benefits available to Canadian employees.

3.3 Health and Well-Being (continued)

Financial well-being

As part of TD's investment in employee well-being, we offer a comprehensive benefits plan, including medical, dental and insurance options that provide choice and flexibility to best meet the changing needs of our employees and their families. We are also proud to offer a robust compensation package, an employee share ownership plan (Canada), a competitive defined benefit pension plan (Canada) and 401(k) (U.S.) and group savings plans to help employees meet their financial goals.

Online retirement and financial planning tools are available, which provides employees personalized projections to assist with short- and long-term planning, including information and advice on their pension arrangements. Additionally, employees have access to legal and financial support services to help deal with a number of issues, including debt/credit management, legal bankruptcy, contracts, landlord and tenant issues, etc.

Mental well-being

TD provides a wide array of options for paid and unpaid time off to assist employees who need time away from the workplace to deal with personal situations such as the birth or adoption of a child, the death of a loved one or completion of a post-graduate degree. In keeping with our focus on supporting employees' efforts to maintain the mental well-being of themselves and their families, effective March 1, 2018 the annual maximum for psychology benefits increased by an additional \$500 per benefit plan year under all medical options. In addition, the list of practitioners was expanded to include psychotherapists, master social workers, family therapists and marriage counsellors.

PERFORMANCE IN 2017

Canada

- We revised the mandatory online Health and Safety (H&S) training to include content for contractors. Content was also added in regard to harassment and sexual harassment in the workplace.
- We introduced an improved online Accident Reporting Database where employee and visitor accident reports can be submitted. This database allows for a centralized location to review and update accident reports and generate statistics for our annual government reporting.

Total spend on compensation and benefits



- Employees were invited to participate in a Total Health Assessment survey designed to help them understand their health in four key areas: physical, mental, workplace and life. We incentivized them to participate in the assessment by offering a \$50 Health Spending Account credit. Over 50% of TD's Canadian employees participated in the assessment and received customized recommendations on key resources and tools that might help them sustain or improve their overall well-being.
- We commissioned the development of new mental well-being training for employees and people managers planned for 2018. Training topics include building awareness, reducing stigma, developing coping skills, accessing support, supporting others and developing people manager capabilities.

U.S.

- Our new industry-leading parental leave policy offers 16 weeks of paid leave to all eligible employees (men, women, same-sex parents and adoptive parents) welcoming a new child. The policy is among the most generous in the U.S. financial services industry.
- We continued to enhance our online ergonomics program by adding the ability for employees to request a phone consultation with an ergonomic specialist to improve workplace comfort and productivity. We've had our first full year with this change and have seen positive results with 78% of the employees recommending the program.
- We improved the bank's evacuation program by assigning Building Evacuation Coordinators to all our larger back-office locations.

3.3 Health and Well-Being (continued)

G4-LA16

- The new U.S. Safety Corner on our intranet provides resources to our employees regarding ergonomics, evacuation, workplace injury and general safety information.
- We developed and launched a new accommodations program (including tools and resources) for employees.

In both Canada and the U.S., work-related injuries remain at very low levels as shown in the table below. The small increase in accidents reported in Canada can be attributed to increased awareness from mandatory online H&S training as well as updated intranet content.

Employee relations

We strive to foster a culture of open communication, providing employees a number of channels to comfortably raise their concerns directly within the organization.

- Our **Employee Complaint Resolution Process** helps provide employees with various channels to report their concern and direct the matter to the right people so it is resolved quickly, objectively and without fear of retaliation. No matter what channel an employee chooses to raise their concern, TD is committed to protecting individuals from retaliation in any form.

- Our **Employee Ombudsman Office** is an impartial, confidential and informal resource available for all employees to discuss work-related concerns and review possible options for resolution. In 2017, 1,327 employees used this program, which is comparable to last year.
- TD's **Whistleblower Hotline** provides a confidential and anonymous communication channel for anyone, both external or internal to TD, to submit concerns regarding ethical, legal or accounting matters without fear of repercussions; or to submit allegations of retaliation for having reported matters in good faith. TD's Whistleblower Hotline is hosted by a third-party and independently managed within TD.

Our Global Employee Relations group is responsible for maintaining meaningful work standards, policies and practices that are consistent with TD's commitment to the overall employee experience and the bank's business objectives, as well as legal and regulatory requirements. The group provides guidance to human resources practitioners and management on complex employment matters to promote the consistent application of TD's policies and practices across the organization and the fair and transparent resolution of matters raised.

Work-Related Injuries ¹			
Canada	2017	2016	2015
Minor injuries ²	290 (0.49%)	255 (0.43%)	193 (0.33%)
Disabling injuries ³	188 (0.32%)	148 (0.25%)	107 (0.19%)
Employee days absent beyond day of injury ⁴	2,409	2,667	1,569
Fatalities due to work-related accidents	0	0	0
U.S.			
Medical/report only claims filed through workers' compensation ⁵	389	454	467
Indemnity claims filed through workers' compensation	35	38	53
Employee days absent beyond day of injury	1,315	2,334	2,832
Fatalities due to work-related accidents	0	0	0

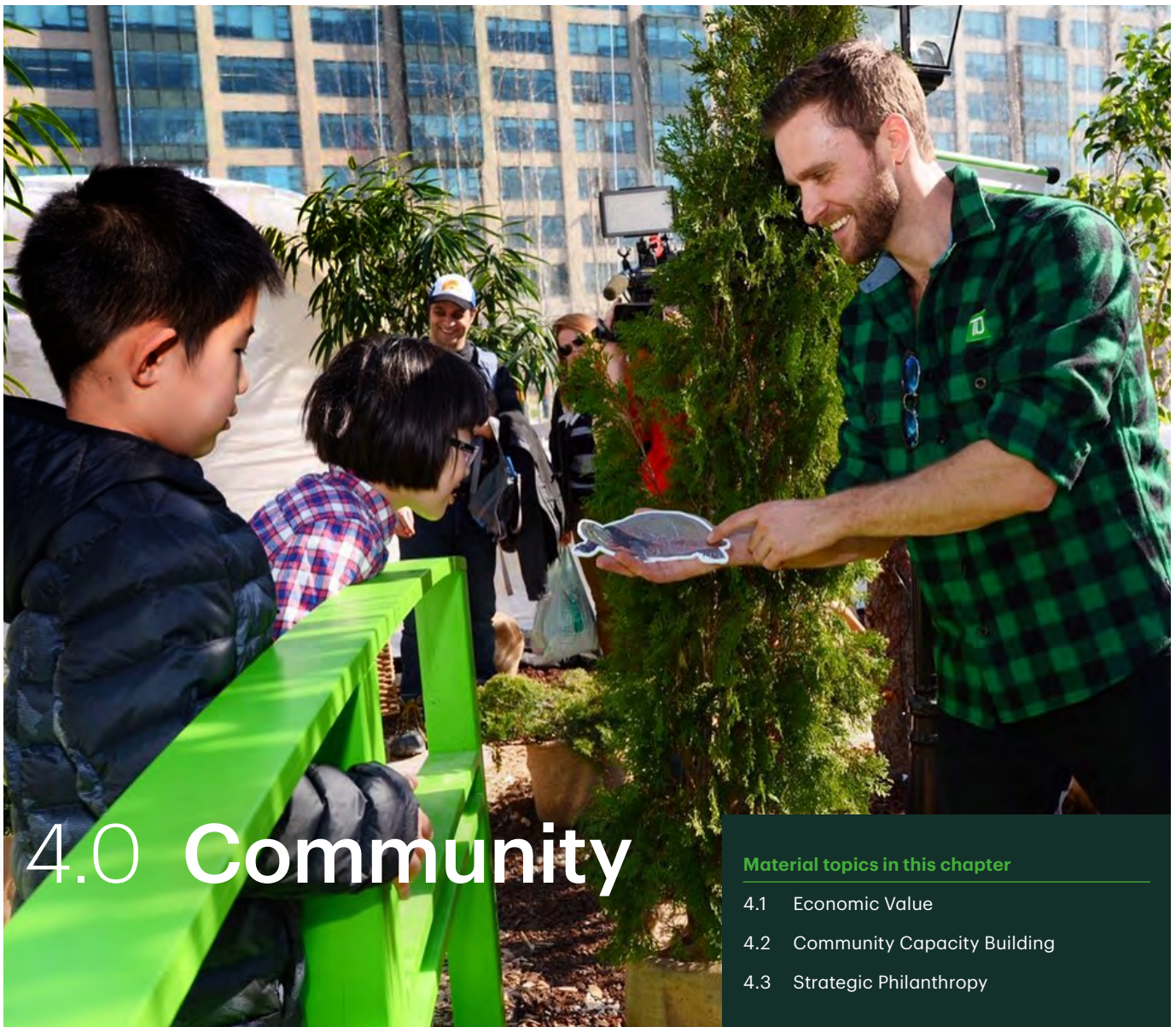
1 Figures in parentheses indicate accident statistics as a percentage of our workforce in the country noted as at the end of the calendar year.

2 Injuries that are treatable in the workplace with no time lost beyond the day of injury.

3 Injuries that result in lost time in the workplace on any day following the injury for each of the years shown.

4 Number and severity of disabling accidents increased in 2017 due to an increase in time lost in the categories of slips/trips/falls, robberies and medically related incidents. Some other accident categories decreased in number of days absent compared to 2016.

5 Workers' compensation claims below \$2,500 or any claim that requires no payment or activity other than generating a report.



4.0 Community

Material topics in this chapter

- 4.1 Economic Value
- 4.2 Community Capacity Building
- 4.3 Strategic Philanthropy

2017 Highlights



\$107 million

Donated to strengthen communities where we operate



5,850

Units of affordable housing created through community development loans originated by TD in the U.S.



683,000+

People across North America who improved their financial knowledge and confidence through programs supported by TD

4.1 Economic Value

G4-EC1

Why It's Material to TD

Healthy economies need healthy banks and vice versa. Maintaining a strong business with solid revenues allows us to pay our employees fair wages and benefits, compensate our suppliers, support local small businesses, contribute to government revenues through taxes and provide dividends to our shareholders.

MANAGEMENT APPROACH

As a responsible business, we aim to positively contribute to the economies where TD operates. TD's business strategy is to produce long-term, profitable growth by building strong franchises and delivering value to customers, shareholders and the broader community.

Supporting Small Business Success

Small businesses are critical drivers of local economies, as well as an integral part of our customer base.

PERFORMANCE IN 2017

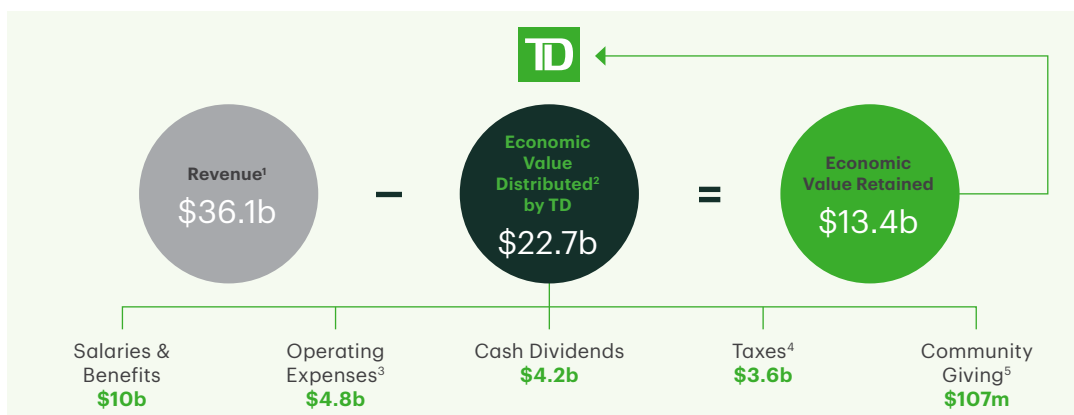
Canada

- TD provided small business customers with more than 29,000 loans and other credit facilities, totalling over \$2 billion in new and increased credit authorizations, up from \$1.8 billion in 2016.
- We continued to participate in the federal government's Canada Small Business Financing Program. Since April 1, 2009, over \$1.12 billion has been funded by TD Canada Trust under the program. We also continued to participate in the Canadian Agricultural Loans Act program that gives farmers easier access to credit, and supported farmers in Québec by participating in the Financière agricole du Québec Farm Financing Program.

- As an ongoing Official Partner of Big Dreams, we provided advertising space to 18 small businesses on TD's media platforms (print, social media and digital), enabling these companies to promote their brands and products.
- Through our community giving program, we supported non-profit organizations such as Futurpreneur Canada, which provides financing, mentoring and support tools to aspiring business owners aged 18–39.

U.S.

- We provided 36,340 small business loans, new and existing, totaling \$1.4 billion. Approximately 95% of these loans were for amounts less than \$100,000. TD Bank continues to grow in Small Business Administration (SBA) lending.
- We announced a \$3 million donation to the National Foundation for Credit Counseling® (NFCC®) to bring the NFCC's Sharpen Your Financial Focus program to small business owners, becoming the first U.S. bank to support a nationwide program providing targeted financial coaching, education and support to U.S. small business owners.
- During 531 community events, TD Bank volunteers reached 7,225 small business owners, providing advice and tips to empower small companies.



1 Amounts based on International Financial Reporting Standards. See the bank's 2017 Annual Report for more information.

2 Economic value distributed as defined by the Global Reporting Initiative. [Source: G4-EC1.](#)

3 Operating expenses include occupancy, equipment, marketing and business development, professional and advisory services and communications.

4 Includes payroll taxes, sales taxes, municipal and property taxes, insurance premium taxes, business taxes and capital taxes.

5 Includes cash donations in North America and the U.K.

4.1 Economic Value (continued)

Sourcing

We remain committed to influencing strong ethical, social and environmental performance across our supply chain. Supply chain management continues to increase in both complexity and regulatory scrutiny globally. In response, TD continues to place significant focus on managing third party risks that could result from our procurement activities.

TD strives to ensure that we have a responsible and diverse network of suppliers who share our values and demonstrate responsible practices while delivering high-quality goods and services. Suppliers are expected to have guidelines, policies and practices that are communicated throughout their organization, upheld by all levels of management and that are considered in and applied to their own supply chain activities.

For example, responsible policies and practices should include:

- Corporate responsibility performance;
- Health and Safety policies and performance;
- Human rights and labour practices, including child or forced labour;
- Diversity and inclusion; and
- Code of conduct, ethics, anti-bribery, anti-corruption.

TD extends its responsible procurement agenda further into the supply chain by applying enhanced due diligence to sourcing products and services when social, ethical, environmental and geographical factors suggest higher risk.

TD's Supplier Code of Conduct establishes TD's expectations by reflecting the minimum performance standards and obligations that suppliers and their subcontractors must meet when doing business with TD.

PERFORMANCE IN 2017

- Over \$6 billion spent in the procurement of goods and services was with suppliers based in North America.

We assessed 154 suppliers in 2017 focusing on services or products where the inherent risk was deemed to be higher. Results from our Responsible Procurement Program in 2017 demonstrate that suppliers continue to improve their practices:

Supplier diversity

Designed to create a level playing field, TD's North American Supplier Diversity Program works to include women, visible minorities, Indigenous Peoples, the LGBT community, people with disabilities, veterans and other minority groups in our procurement selection process.

TD is a member of eight diverse supplier organizations in North America that certify a supplier's diversity credentials. We also educate our own employees to raise awareness of our Supplier Diversity Program.

In 2017:

- TD facilitated a combination of individual and group interactions to help diverse suppliers develop and learn how to do business with large corporations
- Key primary suppliers reported how much they are spending with their own networks of diverse suppliers
- TD was once again named a top 50 diversity organization by DiversityInc and we received a National Business Inclusion Consortium Best of the Best Award based in part on our supplier diversity practices.



ANALYST CORNER

Supplier Code of Conduct

Prospective Supplier Website

Number of suppliers who improved their own policies and procedures in response to our review:

Health and safety	11
Ethical	10
Environmental	15
Human rights and labour code	23
Number of contracts withdrawn as a result of non-compliance with TD's Responsible Procurement Policy	0
Percentage of invited suppliers who agreed to participate in our responsible procurement survey (154 in total)	100%

4.1 Economic Value (continued)

G4-EC8

TAX

Tax governance

The Audit Committee of the Board oversees TD's financial reporting, including the review of tax and tax planning matters that are material to the financial statements. TD's approach to tax governance includes these key elements:

- Complying with all applicable tax laws, rules and regulations
- Maintaining tax compliance as a fundamental part of our business practice
- Paying all taxes due in the jurisdictions where we operate, based on underlying economic activity
- Complying with arm's-length principles for TD Bank Group's intra-group transactions between different countries and jurisdictions
- Managing tax risk to avoid unnecessary disputes
- Working transparently and co-operatively with the appropriate tax authorities
- Consulting with leading law and accounting firms to obtain expert, objective advice and opinions on tax matters
- Proactively working with policy-makers and revenue authorities

TD applies the tax transfer pricing principles and documentation requirements under the local country laws for each jurisdiction where we operate and follows Organisation for Economic Co-operation and Development (OECD) guidelines. TD has transparent working relationships with the Canada Revenue Agency and other tax authorities and often obtains advance tax rulings where legal uncertainty exists.

Taxes we pay

TD pays corporate income taxes on the profits we earn, as well as various taxes incurred in our business operations. TD's business strategy is focused on our core markets of Canada and the U.S. In 2017, 98% of our taxes were paid in these jurisdictions. TD is one of the largest corporate income tax payers in Canada.

Taxes we collect

TD collects taxes on behalf of governments in the countries and regions where we operate. We assume the administrative costs associated with this activity, understanding and supporting the benefits to the broader economy. The taxes we collect include:

- The employee portion of payroll taxes
- Income tax on behalf of employees
- Property tax on behalf of customers who are mortgage holders
- Transaction tax on customer transactions to which sales taxes apply
- Withholding taxes on behalf of investors

Looking forward

As TD's core operations are in only two countries, we do not currently make our country-by-country reporting publicly available. With Canada's adoption of the OECD recommendations, we are preparing to file our first country-by-country report with the Canada Revenue Agency by October 31, 2018. Given that the collection and methodology behind country-by-country reporting is relatively new, the OECD plans to revisit the guidelines and the prescribed information in 2020. We plan to review our public disclosure once the OECD guidelines have been revisited, with a focus on consistency and clarity among all the reporting entities.

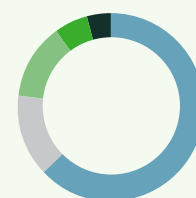
Amount of taxes borne by TD Bank Group (in millions of dollars)	2017	2016	2015
Income taxes	2,253	2,143	1,523
Payroll taxes for over 85,000 employees across 16 countries	517	502	485
Transaction and sales taxes	462	461	428
Capital and insurance premium taxes	136	169	135
Property and business taxes	202	203	181
TOTAL	3,570	3,478	2,752



ANALYST CORNER

Taxes Paid by Province in Canada

Types of Taxes Borne by TD in 2017



63%	Income taxes
14%	Payroll taxes
13%	Transaction and sales taxes
6%	Property and business taxes
4%	Capital and insurance premium taxes
3%	Withholding taxes on behalf of investors

Total

\$3.6 billion

2017 Performance

\$3.6 billion

Amount of taxes borne by TD in 2017.

\$2.6 billion

Amount of tax collected on behalf of governments.

4.2 Community Capacity Building

G4-FS7

G4-FS14

G4-EC7

G4-EC8

Why It's Material to TD

TD works to support and expand the economic and social capacity of our communities. Healthy communities that are sustainable over the long term are built on effective community organizations and institutions, skilled people, local leadership and strong economies.

MANAGEMENT APPROACH

As a major financial institution, we are able to use our resources, expertise and core business operations to:

- Enhance the organizational capacity of non-profits so they can confidently and effectively deliver their missions
- Enable all members of the community, especially underserved or disadvantaged groups, to become economically empowered and resilient

PERFORMANCE IN 2017

We support programs that help non-profits develop their staff and financial capabilities:

- **The Non-Profit Training Resource Fund**, administered by the TD Charitable Foundation in the U.S., provides donations to eligible organizations for employee job training, education and professional development. Since its inception in 2007, the program has distributed US\$1.3 million in funding (1,427 grants), including US\$75,943 in 2017 (83 grants).
- **LIFT Philanthropy Partners** increases the impact and sustainability of social purpose organizations (SPOs) in Canada. Using a venture philanthropy approach, LIFT works with each organization for a term of one-and-a-half to three years, and engages a partner network of leading businesses that provide pro bono services to improve the organization's capacity. Since 2013, TD has committed \$650,000 in support.

Partnering for inclusion and diversity

We partner with organizations across North America that promote diversity in our communities and work to make inclusion a core value.

- In Canada last year, nearly 27% of TD's donations budget went to community diversity initiatives. For example, we donated \$100,000

to **Gender Creative Kids Canada** – a Montreal-based organization that provides support for gender non-conforming and transgender children, youth and their families. Over the next two years, our donation will assist with building organizational capacity, developing education and training programs and providing peer support so that Gender Creative Kids Canada can continue its great work.

- The TD Charitable Foundation in the U.S. provided US\$250,000 to the **International African American Museum's** Center for Family History, where African Americans will have the opportunity to identify their ancestry through genealogy testing and census research. The museum, planned for construction in the fall of 2019, will be located at the historic site of Gadsden's Wharf on the Cooper River in Charleston, S.C. The majority of African-Americans can trace their family history back to this spot.

Indigenous relations in Canada

TD invests significantly in Indigenous economic and social development. Here are a few examples:

- TD is a founding sponsor of the new Indigenous Women in Leadership Award granted by the **Canadian Council for Aboriginal Business**. The national award celebrates successful Indigenous women whose work has changed the lives of people in their communities.
- TD is the lead sponsor of **Rivers to Success**, a mentorship program for Indigenous young people. Run by Indspire, an organization dedicated to Indigenous education in Canada, Rivers to Success matches high school and post-secondary students with professionals in relevant career fields, including TD employees, to help youth transition to the workforce.



For more information, read our 2017 report, *TD and Indigenous Communities in Canada*.

4.2 Community Capacity Building (continued)

Supporting underserved U.S. communities

TD continues to focus on increasing the economic capacity of underserved U.S. communities – in areas such as affordable housing (see next section), community services, revitalization and small business economic development. In 2017, TD Bank in the U.S. provided more than US\$1.7 billion, up from US\$1.6 billion in 2016, for community development loans and investments in underserved locations. Examples include:

- Tax credit programs and other investments supporting local initiatives for low- to moderate-income individuals and families, which exceeded US\$325 million.
- Origination of 318 community development loans for low- to moderate-income groups, totalling more than US\$1.38 billion.

Affordable housing in the U.S.

Affordable shelter is an enduring problem in many U.S. cities. We continue to play an ongoing role to help address this issue by mobilizing investment and collaboration.

- **Community development lending:** We provide community development loans and services to companies developing or preserving affordable housing in low- and moderate-

income areas. In 2017, we originated 109 loans totaling nearly US\$537 million – up from US\$423 million the previous year – in support of over 5,850 units of affordable housing to developers and organizations in the U.S. communities we serve.

- **Community development investing:** We make investments through Low-Income-Housing Tax Credits (LIHTC) that benefit underserved communities. TD Bank funded US\$275 million last year in LIHTC to support new construction and rehabilitation of affordable housing for families, individuals and elderly residents.
- **Charitable grants:** The TD Charitable Foundation donated US\$5.28 million in 2017 to organizations working to increase access to affordable housing in low-to medium-income U.S. communities, including US\$3.125 million through its signature Housing for Everyone grant competition.
- **Mortgage products:** We also work to provide access to affordable housing through our product offering, such as TD Bank's Right Step Mortgage® program, which features a low down-payment option. For more information, [see page 17](#) of the Customer section.



Celia Moncholi
Head of Community Development, TD Bank

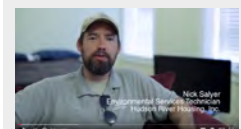
“The impact of community development programs can be truly life-changing, providing pathways to home-ownership, job creation and economic revitalization.”

2017 Target	Rating	2017 Results	2018 Targets
Provide 25 grants totaling US\$2.5 million to organizations working to develop or rehabilitate affordable housing units.	●	Exceeded (US\$3.125 million provided)	US\$2.5 million

● Met ● On track ○ Did not meet

We look for ways to tap different areas of the bank to create affordable housing solutions. Here are two recent examples:

Initiative	Description	TD Bank's commitment
Affordable housing for young adults	We are assisting in financing Project HOME's development of an affordable, LGBTQ-friendly residence for formerly homeless young adults. Project HOME is a non-profit organization that helps empower individuals to break the cycle of poverty and homelessness. The young adult residence will be the first of its kind in Pennsylvania, and among the first in the U.S. The funds will aid in the development of a four-storey building with 30 one-bedroom apartments.	US\$11 million
Affordable housing for senior citizens	We are contributing financing to the redevelopment of a Presby's Inspired Life nursing home into affordable housing for senior citizens in Kingsessing in southwest Philadelphia. The funds will be used to convert the former nursing home into more than 65,000 square feet of new apartments.	US\$11 million



Watch videos

in the *Housing for Everyone* series, which highlight the work our non-profit partners do with our funding and support

4.3 Strategic Philanthropy

G4-FS-EC1 G4-S01 G4-FS13 G4-FS16

Why It's Material to TD

We know that TD can be successful only if the communities in which we operate are vibrant places to live and work. Employees, customers and other stakeholders look to TD to play an active role in helping address important community issues, especially in areas related to our business.

MANAGEMENT APPROACH

Helping communities thrive is a business imperative for TD. TD recently launched The Ready Commitment, a multi-year North American program that will leverage our business, people and philanthropy.

To tap into the talents of our people, we are the first Canadian company to be a founding sponsor of Impact2030, a global private sector-led collaboration created to mobilize employee volunteer programs that directly contribute to the achievement of the Sustainable Development Goals.

And we have targeted \$1 billion in total by 2030 in philanthropy to create a more inclusive and sustainable future. We will focus on four areas that are important to our customers, colleagues and communities. [See page 4](#) for more details.

Governance

- The Corporate Citizenship Council is responsible for TD's overall citizenship strategy, including our approach to community investment.
- In Canada, the Community Investment Committee is responsible for the day-to-day implementation of the strategy, evaluating donation requests and building stakeholder relations in the community.

- In the U.S., the TD Charitable Foundation committee meets three times a year to consider grant application requests.
- We have regional community relations managers everywhere we operate who manage local donation budgets in response to community needs.

PERFORMANCE IN 2017

Corporate Giving

TD donated \$107 million to support non-profits that are strengthening our communities across North America and the U.K. This is up from \$102.8 million in 2016 and exceeded our charitable giving targets. Our two grant-making foundations continue to make a positive impact:

- In the U.S., the **TD Charitable Foundation** donated US\$20.4 million in philanthropic grants throughout its footprint from Maine to Florida, up from US\$19.2 in 2016, while providing US\$4.4 million in community sponsorships. Since its inception in 2002, the foundation has contributed more than US\$187.6 million to non-profits.
- In Canada, **TD Friends of the Environment Foundation** (TD FEF) – a national charity that supports grassroots environmental initiatives – distributed \$6.0 million to 603 projects.

2017 Target	Rating	2017 Results	2018 Targets
Maintain our North American charitable giving at or above the 1% target set by Imagine Canada and the Giving USA Foundation ¹	●	1% ²	1%
Increase number of employees across North America registered in the TD Volunteer Network by end of calendar year	●	33,269 (up from 30,326 in 2016)	Increase volunteer registrations
15% of giving is applied to inclusion and diversity (Canada only)	●	27%	To be revised in 2018

● Met ● On track ○ Did not meet



ANALYST CORNER

London Benchmarking Group Canada Summary

Funding Guidelines in Canada

Funding Guidelines in the U.S.

1 The 1% giving target tracks to the North American scope of TD's new citizenship strategy.
 2 Calculated as an average of Canadian Net-Income Before Tax giving on a five year rolling average ended 2017, and the percentage of net pre-tax income of TD Bank for the period ended October 31, 2017. (Breakdown includes Canada: 1.22%, U.S. 0.83%.)

4.3 Strategic Philanthropy (continued)

Performance Trends: Corporate Giving ¹	2017	2016	2015
Canada (millions of Canadian dollars)	73.7	68.2	62.9
U.S. (millions of U.S. dollars) ²	25.5	25.7	29.6
Total (millions of Canadian dollars)	107	102.8	92.5

Volunteering

- Across North America last year, TD had 778 volunteer ambassadors who helped to manage fundraising events and community programs that engage employees across the bank.
- For our annual employee-giving campaign administered by United Way, TD employees raised close to \$19 million for registered charities across North America last year, up from \$18.4 million the previous year.
- We saw a significant expansion in U.S. employee community involvement with 3,800 new users in our TD Volunteer Network and a 15% year-over-year increase in volunteer hours logged. In the U.S., our employee participation rate remained high at 56% in 2017 and best-in-class compared to national corporate average of 30%.³

<h2>33,269</h2> <p>Registered North American users in our TD Volunteer Network at the end of 2017, up nearly 10% from the previous year</p>	<h2>172,250</h2> <p>Volunteer hours logged by employees in the TD Volunteer Network website, up from 127,888 in 2016</p>	<h2>961</h2> <p>Volunteer grants worth \$547,836 made by TD to 780 registered charities where employees volunteered 40 or more hours</p>
---	--	--

FINANCIAL EDUCATION

In 2017, TD invested more than \$5.2 million in North America to support community financial education programs, that benefited more than 683,000 people. Research shows that boosting financial literacy and confidence can have a real and lasting impact on financial outcomes by helping people better manage their money.⁴

We continue to build upon TD's existing financial education activities, collaborate with non-profits that work in the field, and actively promote volunteer opportunities in which employees can educate community members about money matters. Our efforts focus on the underserved or disadvantaged communities – including the low-income, youth, Indigenous and newcomer communities. For more information, please [see page 19](#) of the Customer section.

2017 Target	Rating	2017 Results	2018 Targets
Help 500,000 participants improve financial literacy through a TD-sponsored program.	●	Over 683,000 people reached across North America	500,000

● Met ● On track ○ Did not meet

1 All amounts converted into Canadian dollars using Bank of Canada exchange rates. For the total value of our contributions, please refer to the summary provided by [London Benchmarking Group Canada](#), which performs an annual independent audit of our community investment.

2 Includes \$26.5 million (US\$20.4 million) from the TD Charitable Foundation.

3 Boston College Center for Corporate Citizenship's 2015 Community Involvement Survey

4 Financial Consumer Agency of Canada Research: <https://www.canada.ca/content/dam/canada/financial-consumer-agency/migration/eng/resources/researchsurveys/documents/link-confidence-outcomes.pdf>

4.3 Strategic Philanthropy (continued)

Canadian highlights

- We partnered with **Venture for Canada**, a career “accelerator” for recent graduates. This non-profit recruits, trains and supports recent graduates with two-year fellowships to work at innovative start-ups across Canada. With TD’s support, Venture for Canada will be able to enhance the training of its fellowship program with cutting-edge education in fields such as financial education and cleantech entrepreneurship.
- **Money Matters:** Developed in 2011 by ABC Life Literacy Canada in partnership with TD, Money Matters is a free program for adult learners that teaches topics such as banking, saving and building credit. The program’s success has led to different versions adapted for newcomers, Indigenous peoples and post-secondary students.

U.S. highlights

- **Volunteer partnerships:** Employees partner with local organizations to meet learners in our neighborhoods. In 2017, more than 25,000 learners joined TD Bank volunteers at over 1,600 financial education events across our U.S. footprint. In addition, more than 130,000 adults, parents and educators accessed our digital financial education tools, including interactive guides, videos and worksheets.
- **Adult financial education seminars:** Through our work with the National Foundation for Credit Counseling (NFCC), TD Bank sponsored 220 adult financial education seminars for approximately 3,530 people. With the help of assistant instructors from TD Bank, NFCC member agencies provided free learning to participants on budgeting, understanding credit reports and scores and preparing for home ownership.

- **Homebuyer education:** We support pre-purchase education for homebuyers across our U.S. footprint. More than 6,200 potential homebuyers joined our employee volunteers at 578 educational events, where we discussed topics such as what to consider during a home search and how the mortgage process works.

THE ENVIRONMENT

Canada

- With over 10,500 volunteers (43% being youth) registered in our annual TD Tree Days campaign, we marked a milestone year, planting the 300,000th tree since initiating the program in 2010. Since 1990, TD has helped plant nearly one million trees through TD FEF and TD Tree Days.
- To mark Canada’s 150th anniversary, we supported the Nature Conservancy of Canada’s cross-country speaker series, NatureTalks, to help bring people together for a night of thought-provoking discussion on Canada’s landscape and natural resources.

United States

- The third TD-bank-sponsored Fitness Zone® with flood protection features opened in Olympic Park, Miami as part of our support for the Trust for Public Land’s initiative to improve the resilience of Miami-Dade County parks.
- Through a community-employee initiative, we worked with One Tree Planted to plant 27,000 trees on behalf of employees, customers and community members in areas affected by Hurricane Irma.
- We launched a #HighLineHoney initiative with the Friends of the High Line in New York City to build awareness about the importance of pollinators to the environment and community.



Milestone
16,000
learners
reached
through
Money
Matters

2017 Highlights

86%

of employees agree that TD is doing the right things to make a positive impact on the environment.

TD Green Nation –
2017 Impact Members:

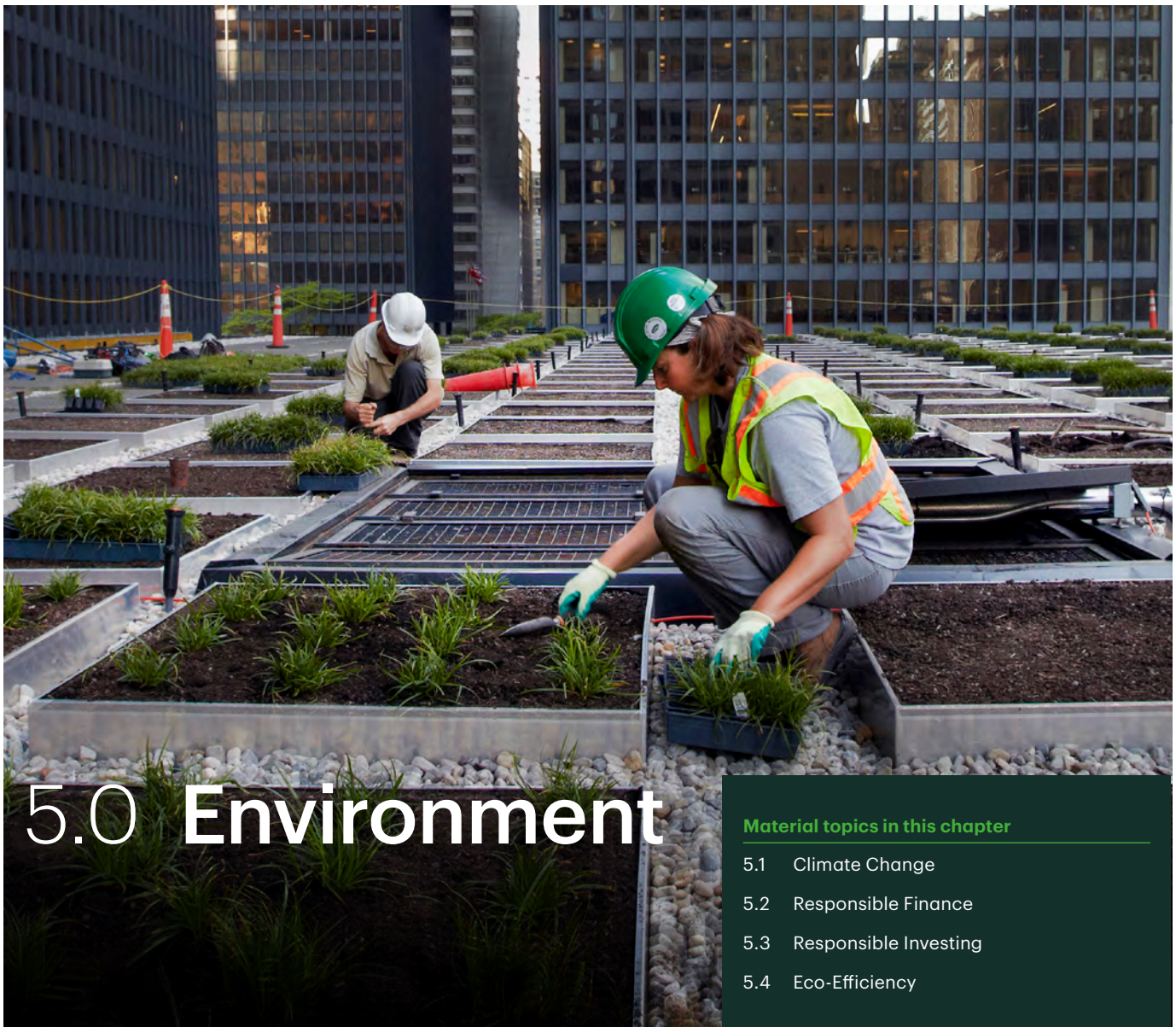
Over 33,000
globally

Carbon saved:
352,707,886 kg
CO₂e

Planted 300,000th
tree since 2010

\$88,569 in natural
capital benefits

10,500 Volunteers
registered



5.0 Environment

Material topics in this chapter

- 5.1 Climate Change
- 5.2 Responsible Finance
- 5.3 Responsible Investing
- 5.4 Eco-Efficiency

2017 Highlights

\$100 billion target by 2030

First Canadian bank to set a target supporting the transition to a low-carbon economy, through low-carbon lending, financing, asset management and other programs

Green bonds

Issued US\$1 billion TD Green Bond, largest ever issued by a Canadian bank

\$6 million

Invested in community green spaces through the TD Common Ground Project in recognition of Canada's 150th anniversary

Maintained global leadership

Retained position as a top-scoring Canadian bank according to CDP since 2013¹

¹ With a score of A-, TD placed in the leadership category of performance. TD is among the top scoring Canadian banks within the big five banks: Bank of Montreal, Canadian Imperial Bank of Commerce, Royal Bank of Canada and Bank of Nova Scotia.

5.0 Environment (continued)



“Financial institutions have an important role to play in supporting economic growth and prosperity in the short and long term. We can help accelerate the pace and scale of the transition to a low-carbon economy through our lending, financing, sustainable investing, corporate philanthropy and community programming.”

Karen Clarke-Whistler, Chief Environment Officer, TD Bank Group

SUPPORTING THE TRANSITION TO THE LOW-CARBON ECONOMY

We are living in a time of unprecedented transition, from the digitization of industry and rise of the sharing economy to multi-sector collaboration. With over 170 countries ratifying the 2015 Paris Agreement, the world is in transition to a low-carbon economy, working to limit the increase in the global average temperature to well below two degrees Celsius by 2030, among other milestones.

While a shared vision for the future is evolving, when and how we will get there is less clear. At TD, we believe that as the world continues to change, it is critical to continually reshape our approach and respond as part of being an environmental leader.

In 2017 we launched a set of environmental initiatives to support the transition to a low-carbon economy, which includes a target of \$100 billion in low-carbon lending, financing, asset management¹ and other programs by 2030. We will continue to develop these initiatives through 2018, which include:

Banking, Finance & Asset Management	Thought Leadership	Employees & Workplace	Community Investment
<ul style="list-style-type: none"> Retail banking and insurance products Business lending and credit Asset management¹ Green bond issuance, underwriting and investment 	<ul style="list-style-type: none"> Develop research and analysis through collaboration with trusted third parties on the low-carbon economy Enhance and develop initiatives with community organizations to foster dialogue Produce materials and events to engage and enhance dialogue with key stakeholders 	<ul style="list-style-type: none"> Zero absolute increase in GHG emissions Maintain seven-year record of carbon neutrality Build employee awareness, dialogue and action about the environment 	<ul style="list-style-type: none"> Support energy-efficient affordable housing Grow and enhance urban green spaces Increase natural capital value Help plant one million new trees by 2030

Environmental considerations are embedded into TD’s Enterprise Risk Management Framework.

Our environmental governance structure is designed to align with this Framework and incorporates Board and Senior Executive oversight as well as direct involvement of business segment leaders. [Click here](#) to learn more about TD’s Environmental Governance.

¹ In accordance with TD’s Asset Management Sustainable Investing Policy

5.1 Climate Change

G4-EC2 G4-FS1 G4-FS2 G4-FS3

Why It's Material to TD

Climate-related impacts are already occurring and will continue for many decades, with the potential to cause large scale economic disruption. We believe financial institutions can play a role in meeting the 2030 targets set out in the 2015 Paris Agreement by addressing climate-related impacts to their business, while supporting the transition to a low-carbon economy.

MANAGEMENT APPROACH

TD was one of the first North American banks to identify climate change as an issue that would impact the way we do business. Since then we have developed an enterprise-wide environmental strategy aimed at developing a comprehensive and long-term view of the potential risks and opportunities climate change presents. Our strategy encompasses all of TD's businesses and operations and addresses transitional risks and physical risks.

Contextual Trends

Numerous regional and local initiatives have emerged in response to the Paris Agreement that have the potential to affect TD as a primarily North American bank. In 2017, these included:

- Canada-wide policy development, including GHG reduction targets, a pan-Canadian approach to carbon pricing starting in 2018, and a commitment to phase out coal-powered electricity by 2030

- Diverse carbon pricing policies taking affect, including a harmonized carbon cap-and-trade system between California, Quebec, and Ontario
- U.S. federal government indication to withdraw from the Paris Agreement as early as the year 2020, and stated intentions to soften other federal regulations, such as rescinding the Clean Power Plan
- Recommendations from the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD)

At the same time, there have been important developments within the North American energy sector, which include:

- Changing energy trends with increasing global demand for oil, led by China and India, and growing American energy independence with shale oil and gas reserves
- Canadian domestic electricity supply shifting from coal to lower-carbon sources
- Economic pressure for pipeline expansion to support new markets for oil supplies from Western Canada



ANALYST CORNER

Environmental Governance

TD Environmental Policy

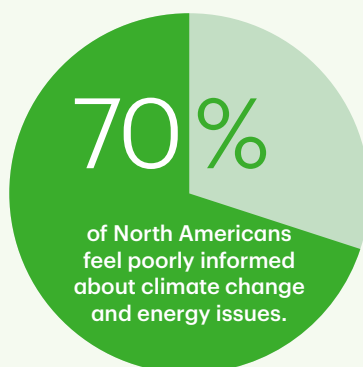
2017 Carbon Neutral Schedule

2017 Natural Capital Valuation

2017 Principles on Sustainable Insurance- Annual Disclosure

Summary of TD's Progress In Managing Climate-related Risks and Opportunities

Consumer Trends



Majority of North Americans are concerned about the environment, but 70% feel poorly informed about climate change and energy issues.¹

TD commissioned a survey in Canada and along the eastern seaboard and DAPL zone² of the U.S. by Environics Research in order to better understand consumer concerns. Results showed that:

- Environmental concerns are a top priority for the majority of those surveyed in both countries
- More than half of respondents support responsible energy development to meet existing energy demands
- Six out of 10 feel they don't have enough information to have a firm opinion about pipelines

¹ Research commissioned by TD and conducted by Environics Research, 2017. In the context of these survey results "North Americans" refers to those in Canada and along the eastern seaboard and DAPL zone of the U.S.

² Areas affected by the Dakota Access Pipeline.

5.1 Climate Change (continued)

PERFORMANCE IN 2017

TD's low-carbon strategy: A balanced approach

Our low-carbon strategy takes a balanced approach to helping accelerate the development of the low-carbon economy, while recognizing the importance of responsibly developing conventional energy resources that are vital to the economic strength and security of North America.

TD defines the low-carbon economy as one that optimizes power generation, infrastructure, processes, goods and services to reduce

GHG emissions. We expect that our program commitments will provide the following environmental benefits:

- Low-carbon energy generation
- Energy efficiency and management
- Green infrastructure and sustainable land management

In 2017, we addressed the transitional risks of climate change, outlined in the table below.

We will be tracking our progress against the \$100 billion target and expect to provide an update in our next Corporate Responsibility Report.

Banking, Finance & Asset Management	<ul style="list-style-type: none"> • Issued second TD Green Bond at US\$1 billion – largest issued by a Canadian bank • TD Auto Finance continued to provide preferred pricing to auto dealers for electric and hybrid vehicles and TD's green insurance offering grew by 16% in 2017 • Since 2016 TD has participated in the carbon credit market, trading nearly 20 million credits to date with a market value of \$200 million in the Regional Greenhouse Gas Initiative and California Carbon Allowance markets. Currently we are trading TD-owned credits on the secondary market as we explore their viability to facilitate client needs in the future
Thought Leadership	<ul style="list-style-type: none"> • Collaborated with Bloomberg to enhance the conversation around sustainable finance issues with the TD-Bloomberg Sustainability Dialogues in Canada, and Sustainable Business Summit in the U.S. • Supported low-carbon research and action through Canada's Carbon Pricing Leadership Coalition (CPLC), Canada EcoFiscal Commission, the Conference Board of Canada, the RE100 We Mean Business Coalition and a recent report from Canadian Business for Social Responsibility • Joined UNEP-FI project to study the recommendations of the Financial Stability Board's TCFD
Employees & Workplace	<ul style="list-style-type: none"> • Remained carbon-neutral and continued to reduce GHG emissions by 4% (scope 1 and 2) • Met 100% renewable electricity commitment, investing \$682,681 in renewable energy credits. Purchased \$442,717 of voluntary carbon offsets to meet carbon neutrality with at least 50% generating social value • Expanded our involvement in the CDP Supply Chain Program, achieving an A rating for supplier engagement and landing a spot on the Supplier Engagement Rating leader board which recognizes the top 2% of participants in the CDP Supply Chain Program
Community Investment	<ul style="list-style-type: none"> • Over US\$110 million invested in energy-efficient affordable housing • Supported Plug'n Drive in launching the world's first Electric Vehicle Discovery Centre (Toronto) • Helped protect 60,000 acres of critical forest habitat across TD's North American footprint, conserving over \$166 million in natural capital value annually • Enhanced or created urban green spaces in over 150 communities across Canada through the TD Common Ground Project in recognition of Canada's 150th anniversary • Worked with over 80 local organizations, including conservation authorities, municipalities and Indigenous groups to plant 47,000 trees and shrubs through TD Tree Days

5.1 Climate Change (continued)

Harnessing the Power of Carbon Markets to Create Shared Value

As part of our carbon-neutral strategy we invest in carbon offset projects that address GHG emissions within our operational footprint. At least 50% of TD's carbon offsets are generated through projects that also provide a social benefit. One example is a recent collaboration with Solifor Perthuis, Enviro Ecredit and Carbonzero.

Through this project we:

- Supported community development, with a portion of proceeds directed to an archaeological project by Laval University to uncover ancestral artifacts of the Huron-Wendat Nations
- Helped grow the voluntary carbon market in Quebec, participating in the largest transaction involving forest carbon capture in the region
- Purchased voluntary carbon credits to offset 45,000 tonnes of CO₂e emissions from our Canadian operations, equal to the energy use of nearly 50,000 homes for one year

Addressing the physical risks of climate change

Weather-related impacts vary in nature and significance for different regions across our footprint, directly impacting our operations and the communities we serve. We continue to research and assess how to adapt to climate change and improve disaster resilience.

- As a member of the UNEP-FI Principles for Sustainable Insurance (PSI), TD Insurance [reports on its progress](#) in embedding the principles into its risk management approach
- TD Insurance's industry-leading Mobile Response Units provide quality and timely support to our customers across the country, quickly responding to damage from wildfires in B.C. to sewer backups in southeast Ontario and Eastern Canada, to windstorms in the Golden Horseshoe
- TD Insurance is exploring opportunities to offer a residential flood product that provides suitable protection for the Canadian market, while educating homeowners on how they can protect their properties from flood damage
- We continue to participate in cross-sector collaborations and research initiatives to improve understanding of disaster resilience, such as the Institute for Catastrophic Loss Reduction (ICLR), the Atmospheric and Environmental Research (AER) Emerging Risk research program and the Alberta Severe Weather Management Society. We are also active participants on the Insurance Bureau of Canada's Natural Catastrophe Committee

Helping to accelerate the low-carbon transition with electric vehicles

With roughly 24% of Canada's GHG emissions stemming from transportation¹, electric vehicles are quickly growing in popularity as viable alternative transportation to traditional fossil-fuel cars. To help consumers feel ready for this shifting landscape, we sponsored the world's first Electric Vehicle Discovery Centre (EVC), opened by non-profit Plug'n Drive. Located in Ontario, the centre provides an interactive experience where consumers can test drive the latest EV and hybrid models, learn about the economic and environmental benefits of electric cars and speak with a TD Insurance representative about TD's EV/hybrid discounts. The sponsorship builds on our efforts to help promote the use of electric vehicles, which also includes courtesy charging stations for customers with electric/hybrid vehicles at 13 branches to date.



¹ <https://www.canada.ca/en/environment-climate-change/services/environmental-indicators/greenhouse-gas-emissions/canadian-economic-sector.html>

5.2 Responsible Finance

G4-14

G4-FS1

G4-FS2

G4-FS3

Why It's Material to TD

As a financial institution one of the biggest contributions we can make to a low-carbon economy is through our lending and banking activities. A better understanding of how climate-related risks and opportunities impact our business is an increasing area of interest to our investors and other stakeholders.

MANAGEMENT APPROACH

TD's enterprise-wide business strategy is designed to provide better returns to our investors for the risk undertaken. Environmental and related-social (E&S) issues are embedded within our Enterprise Risk Management Framework. Our lending portfolio is focused primarily on North American-based personal and residential lending, accounting for 70% of our lending portfolio in 2017.¹ Due to the nature of those lending activities, 88% of our total lending portfolio went to economic sectors that have low and medium direct GHG emissions and approximately 12% was directed to sectors that we have identified as environmentally sensitive.²

Environmental and social due diligence

We manage environmental and social (E&S) risk based on a life-cycle approach that begins well before our formal engagement with a client and continues throughout our relationship. TD's E&S Risk Policy for Non-Retail Credit Business Lines governs our processes for assessing risk and contains a set of due diligence tools that is applied to 100% of our non-retail lending activities, which include general corporate-purpose, project and fixed-asset financing.

Important components include:

- A list of transactions that are prohibited based on environmental and social risk
- Enhanced sector-specific due diligence for environmentally sensitive sectors: forestry, mining, oil & gas and pipelines, oil sands, and thermal power
- A formalized escalation process to environmental subject matter experts and senior executives within credit risk management
- Where our assessment indicates that there is potential for high residual risk, we insert additional conditions and, in some cases, decide not to pursue the relationship further

- Since 2012 we have embedded the Equator Principles into our E&S Risk Policy for a consistent approach and an additional level of protection

Our E&S Risk Policy and due diligence procedures are updated on a regular basis to maintain alignment with current industry good practice. We are currently working on updates, which will include a refreshed training program for TD's credit origination and management teams.

PERFORMANCE IN 2017

- Continued to help strengthen international risk standards – our Chief Environment Officer joined representatives from 90 other global banks at the Equator Principles Annual General Meeting to discuss how to strengthen the environmental and social risk assessment outlined in the Equator Principles
- 265 deals subject to enhanced due diligence through TD's environmental and social credit risk process
- The Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD), published in 2017, has provided important guidance on a more consistent approach to assessment and reporting of climate-related risks and opportunities. The TCFD recommendations focus on corporate governance, business strategy, management, and performance measurement. As part of TD's enterprise approach to management of climate-related risk we have reported on these aspects for several years through our annual Corporate Responsibility Report and our Canadian industry-leading Carbon Disclosure Project annual reporting. [See the link](#) for a summary of how TD has embedded assessment and disclosure of climate-related risks and opportunities into our processes and reporting.



ANALYST CORNER

TD Environmental Policy

TD's Environmental and Social Risk Process

2017 Carbon and Water Risk Assessment

2017 Equator Principles Reporting

¹ See Table 23 in TD's 2017 Annual Report, pg 44.

² TD has updated its Carbon-Related Risk sector categorization based on sectors identified by the Government of Canada, available at <https://www.neb-one.gc.ca/nrg/sttsc/lctrc/rprt/2016cndrnwblpwr/ghgmssn-eng.html>.

5.2 Responsible Finance (continued)

TD's Energy and Environment Position

Global and national climate policies are being created to help achieve the targets and aspirations of the 2015 Paris Agreement. At the same time, it will be crucial over the next few decades to support North American economic

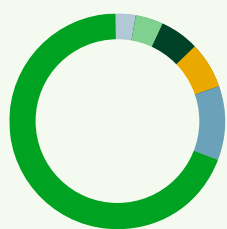
and energy security needs with projects that deliver vital energy supplies. TD takes a balanced approach that supports responsible growth and solutions that will generate positive economic, social and environmental impacts for the communities we serve.

Our business focus is in North America, where there are robust, enforceable environmental regulations. However, there are emerging issues that are not yet fully captured within current regulations, such as physical and transitional climate risks, cumulative effects and the implementation of a consistent approach for assessing free, prior and informed consent (FPIC) of Indigenous peoples.

TD participated as a co-lead in an independent Human Rights Review of the Dakota Access Pipeline (DAPL). The key results of this study demonstrated gaps in U.S. federal regulation and the International Financial Corporation (IFC) Performance Standards, which we are now incorporating into an update of our due diligence procedures as appropriate.

TD's Total Lending by Sector¹

Total
\$601 billion



Sector

Personal and Residential	70%
Retail and Service	11%
Manufacturing and Transport	7%
Commercial Real Estate	6%
Natural Resources	4%
Government	3%

Environmentally Sensitive Lending

(approximately 12% of total lending)

Forestry	1%
Mining	4%
Power and Utilities	7%
Pipelines, Oil and Gas	8%
Agriculture	10%
Food and Beverage	7%
Automotive	18%
Non-residential real estate	45%

Deals subject to enhanced due diligence by sector in 2017

Sector	Number of Reviews	Percentage
Forestry	18	7%
Mining	31	12%
Pipelines, oil and gas	159	60%
Thermal power	57	21%
Total enhanced due diligence	265	100%

¹ See Table 23 in [TD's 2017 Annual Report](#), pg 44.

5.2 Responsible Finance (continued)

Equator Principles

In 2017, TD provided funding for one qualifying category “A” and one qualifying category “B” Equator Project, both project-related corporate loans. TD also provided project finance advisory services for one qualifying Equator Principle Project.¹

Project Related Corporate Loans	Category A	Category B	Category C	Project Finance Advisory Services Data
Sector				
Mining	0	0	0	0
Infrastructure	0	0	0	0
Oil & gas	1	1	0	1
Power	0	0	0	0
Others	0	0	0	0
Region				
Americas	1	1	0	1
Europe, Middle East & Africa	0	0	0	0
Asia Pacific	0	0	0	0
Country Designation				
Designated	1	1	0	
Non-Designated	0	0	0	
Independent Review				
Yes	1	1	0	
No	0	0	0	
Totals	1	1	0	

¹ See [TD's 2017 Equator Principles](#) reporting for further details

5.3 Responsible Investing

Why It's Material to TD

Increasingly, environmental, social and governance (ESG) risk is being considered as part of investment decision making. For many institutional and retail investors, considering ESG-related information helps determine if a company is well positioned to manage risk. Greater focus on ESG risk is spurring innovations with sustainable investing products, such as green bonds, which reached over US\$100 billion in issuances globally in 2017.

MANAGEMENT APPROACH

TD Asset Management (TDAM) is one of Canada's largest asset managers, managing more than \$280 billion in assets on behalf of retail and institutional investors.

At TD, we believe that considering ESG risk helps strengthen risk analysis as it provides an additional lens into how a company manages risk. Since becoming a signatory to the UN Principles for Responsible Investment (UN PRI) in 2009, TDAM was the first investment business of a major Canadian financial institution to elevate its commitment to ESG assessment. Today, the UN PRI has 1,750 signatories representing roughly US\$70 trillion of assets under management.

Our commitment to ESG integration extends beyond the UN PRI. We also participate in [CDP \(formerly the Carbon Disclosure Project\)](#) and [CCGG \(the Canadian Coalition for Good Governance\)](#).

We employ a three-pronged approach to assessing company risk that includes:

- **Investment analysis:** We integrate ESG factors in our equity and credit research, and maintain a proprietary ESG risk management matrix on which we score every company in which we invest
- **Engagement:** We engage directly with companies across a broad range of industries, meeting with company leaders to understand the potential impacts of ESG risks on their business and the processes in place to manage those risks. Our discussions cover the management of environmental and socially sensitive issues such as fuel efficiency, safety, water treatment and carbon emissions
- **Proxy voting:** Exercising our voting rights as shareholders is one of the key ways we can positively influence environmental and social practices for the companies in which we invest

2017 Performance Highlights

100%

ESG analysis of investments¹

62

Shareholder engagements relating to ESG issues²

25%

Of funds managed by TDAM rated high in terms of sustainability (Morningstar)³

- Through the UN PRI assessment we have created a clear road map that enables us to continually strengthen our investing approach and enhance our ESG integration. In 2017, TDAM continued to improve its [annual assessment](#) and performed above our peers
- As part of TD's low-carbon strategy, TDAM will contribute to the bank's 2030 \$100 billion target by considering ESG-related information in our investment allocations (in accordance with TDAM's sustainable investing approach)
- We continued to support ESG-related shareholder proposals and engaged with companies across a broad range of industries²



ANALYST CORNER

[TD Environmental Policy](#)

[2017 Green Bond Assurance Statement](#)

[Sustainable Investing Approach](#)

[2017 Principles for Responsible Investment and Engagement Report](#)

[TDAM Disclosure on Proxy Practices](#)

[TD Green Bond Term Sheet for Investors](#)

[TD Green Bond \(2014 Issuance\)- Use of Proceeds as at April 3, 2017](#)

[TD Green Bond \(2017 Issuance\)- Use of Proceeds as at October 31, 2017](#)

¹ Excludes Epoch Investment Partners Inc.

² In accordance with TD's Asset Management Sustainable Investing Policy

³ © 2017 Morningstar Research Inc. All rights reserved. The information contained herein: (1) is proprietary to Morningstar; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results.

5.3 Responsible Investing (continued)

- For two consecutive years ending October 31, 2017, 25% of funds managed by TDAM were rated high in terms of sustainability by Morningstar,¹ a leading investment research firm
- The TD Canadian Large Cap Equity Fund rounded out the top 10 for high ESG performance on MSCI's ESG Quality Score Ranking, demonstrating the impact of embedding ESG principles into mainstream funds

TDAM funds rated high in sustainability by Morningstar

Name (series)	Category
Epoch Global Shareholder Yield – (F)	Canada Fund Global Equity
Epoch U.S. Blue Chip Equity CN – (D)	Canada Fund U.S. Equity
Epoch U.S. Blue Chip Equity – (D)	Canada Fund U.S. Equity
TD Canadian Large Cap Equity – (D)	Canada Fund Canadian Equity
TD Diversified Monthly Income – (I)	Canada Fund Canadian Equity Balanced
TD Dividend Growth – (I)	Canada Fund Canadian Dividend & Income Equity
TD Dividend Income – (I)	Canada Fund Canadian Equity Balanced
TD Monthly Income – (I)	Canada Fund Canadian Neutral Balanced
TD North American Dividend – (I)	Canada Fund North American Equity
TD Strategic Yield – (F)	Canada Fund Global Neutral Balanced
TD Tactical Monthly Income – (F)	Canada Fund Tactical Balanced
TD U.S. Dividend Growth Fund – (F)	Canada Fund U.S. Equity
TD US Mid-Cap Growth – (I)	Canada Fund U.S. Small/Mid Cap Equity

North American Socially Responsible Investing (SRI) Portfolio

TDAM manages a North American SRI portfolio for TD Private Investment Counsel. The portfolio consists of best-in-class sustainability leaders (80–100% of portfolio) and emerging environmental specialists (up to 20% of portfolio).

- The best-in-class segment seeks to invest in companies that are leaders relative to their peers in the areas of environmental impact, corporate governance and social responsibility
- The environmental specialist segment identifies global leaders in the areas of structural environmental growth: water, resource efficiency and alternative energy

Performance

	1 Month	3 Month	6 Month	YTD	1 Year	2 Year	3 Year	4 Year	5 Year
Fund	-0.49%	4.87%	6.43%	10.69%	10.69%	12.33%	10.20%	11.38%	14.66%
Benchmark	-0.25%	5.59%	7.77%	11.21%	11.21%	12.68%	10.24%	11.85%	14.56%

As of December 31, 2017

Benchmark: 50% S&P/TSX Composite TR – C\$, 50% S&P 500 Net Total Return – \$CAD.

The road ahead

We are committed to continually improving our responsible investing practices, and as we look to 2018 we are working on:

- Establishing a process to identify and prioritize individual engagements with

companies based on sector analysis and via collaborative engagements

- Collaborating with industry participants and regulatory bodies to increase/standardize ESG disclosure for TSX-listed companies

¹ © 2017 Morningstar Research Inc. All rights reserved. The information contained herein: (1) is proprietary to Morningstar; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results.

5.3 Responsible Investing (continued)

Moving the Dial on Green Bonds

We **issue**, **underwrite** and **invest** in green bonds and educate others about their benefits.

Issuing



US\$1 billion

TD Green Bond issued in 2017, upsized from US\$500 million when first launched (only USD green bond issued by a Canadian bank).

With the second TD Green Bond, TD continues to help drive growth in the green bond market bringing the total funds issued to \$1.7 billion since 2014.

Institutional Investors

Oversubscribed, the U.S. dollar TD Green Bond attracted 70% green investors and 10 new investors to the bank.

Member of the Green Bond Principles

Best-in-Class Framework

Enhanced in 2016 for issuing and managing TD Green Bonds and is aligned to 2017 Green Bond Principles.¹

Underwriting



\$15 billion²

TD's participation in green bond underwriting since 2010.

Example:

\$500 million issue

Export Development Canada (EDC) green bond to support green projects such as the preservation, protection or remediation of air and mitigation of climate change.

TD is playing an integral role in the development of the green bond market, which is helping to direct capital toward the transition to a low-carbon economy.

Investing



\$868 million

Invested in green bonds since 2014 by TD's Treasury Group as part of managing the bank's investment portfolio. This includes \$486 million purchased in 2017.

TD Bank Group Green Bond Investment Statement

We believe that incorporating environmental considerations as one of the many facets of our investment decision-making contributes to the overall integrity of the economy and long-term sustainability of the environment. As such, we intend to allocate a portion of new bond purchases in our Treasury investment portfolio to green investments that align with our investment strategy.



ANALYST CORNER

2017 Green Bond Use of Proceeds

1 Through the International Capital Market Association (ICMA).
2 Reflects CAD-equivalent face value underwriting



5.4 Eco-Efficiency

G4-EN6

Why It's Material to TD

Our facilities and business operations consume a range of natural resources and materials. Commercial buildings are significant contributors to greenhouse gas emissions, representing about 35% of GHG emissions in Canada/North America.¹ And our business, which is increasingly becoming more digital requires large amounts of electricity. Changing weather patterns and evolving climate policies are relevant to how we manage our operations and workplace environment. Insights gained from the sustainable operation of our business can also yield valuable insights that inform the development of innovative products for our customers.

MANAGEMENT APPROACH

Continual improvement in eco-efficiency, resilience and employee wellness is a fundamental part of our commitment to environmental leadership. As part of our Environmental Management System, which is aligned to ISO 14001, we collect and review data at least annually. In addition to being carbon neutral since 2010, we have developed multi-year metrics and targets to be achieved by 2020, which include:

- Zero absolute increase in GHG emissions, energy and water use relative to a 2015 baseline
- Zero decrease in waste diversion by 2020 relative to a 2015 baseline (for sites that have complete waste stream data)
- 40% reduction in paper use relative to a 2010 baseline

Key business units – including enterprise real estate, strategic sourcing, enterprise technology solutions, North American ATM channel, and human resources – influence the sustainability performance of our operations and work in an integrated manner to reduce our operational footprint. We review our strategy and report on our performance at least annually to TD's Corporate Citizenship Council.

PERFORMANCE IN 2017

In 2017, we expanded our long-term focus to improve the environmental performance of our facilities and business operations, which included:

- Continuing to invest in eco-efficiency initiatives, bringing total funds invested since 2010 to \$97 million.
- Maintaining top leadership in occupying energy-efficient spaces across our North American footprint, and reaching the 200th TD-led LEED-certified location in the U.S. within the past seven years

- Continuing our leadership in green buildings with the Cypress Hill store in Florida achieving net-zero energy
- Looking ahead, TD is conducting market research to evaluate the use of power purchase agreements as a potential renewable energy solution to help reduce TD's operational footprint

Detailed environmental performance tables can be found in the Appendix: ESG Performance Data.

Greenhouse Gas Emissions

- Carbon emissions: Absolute GHG emissions have decreased by 25% since 2008 (Scope 1 and 2).
- Internal carbon price: \$6/tonne CO₂e.
- Despite 24% growth in our occupied space, since 2008 TD's total GHG emissions from operating our buildings decreased by 25%.
- GHG emissions per dollar of revenue have decreased by 69%, since 2008 (Scope 1 and 2).
- Achieved carbon neutrality:
 - Energy reduction: Saved 10.6 million kWh and over 3000 tonnes of CO₂e through our 2017 energy reduction initiatives.
 - Offsets: Over \$680,000 invested in carbon offset projects across our footprint in 2017.
 - RECs: Purchased RECs (Renewable Energy Credits) for 100% of our emissions from electricity, investing close to \$44,300 in renewable projects in 2017.



ANALYST CORNER

Appendix: ESG Performance Data

TD Environmental Policy

2017 Carbon Neutral Schedule

2017 Paper Reduction Schedule

2017 TD's Ongoing Energy, GHG, and Water Reduction Initiatives

2017 Environment Goals and Scorecard

TD Renewable Energy Credits and Carbon Offsets

Notes to GHG Emissions

¹ Global Alliance for Buildings and Construction.

5.4 Eco-Efficiency (continued)

Greenhouse Gas (GHG) Emissions ^{1,2,3}				
Scope 1 and 2 (location-based)	Units	2017	2016	2015
Scope 1 ^{4,5}	tonnes CO ₂ e	46,415	47,652	53,680
Scope 2 ⁶	tonnes CO ₂ e	130,044	135,261	146,995
Total Scope 1 and 2 (location-based)⁷	tonnes CO ₂ e	176,459	182,913	200,676
GHG emission intensity (per square foot)	kg CO ₂ e/sq ft	7.06	7.28	8.07
GHG emission intensity (per million dollars revenue)	tonnes CO ₂ e/\$MM	4.91	5.33	6.38

1 In 2017, the reporting period for GHG emissions from real estate changed to August 1st to July 31st in order to allow for more timely data. Other sources of emissions remain aligned with TD's fiscal year (November 1st to October 31st). 2015 and 2016 GHG emissions were restated to align with the new reporting period, 2014 and prior GHG emissions have not been restated.

2 [Click here](#) for TD's 2017 carbon-neutral schedule.

3 For further details see accompanying notes.

4 The reporting period for scope 1, stationary combustion and refrigerants is August 1st to July 31st, this represents 39,825 tonnes CO₂e. The reporting period for scope 1, mobile combustion (travel) is November 1st to October 31st, this represents 6,590 tonnes CO₂e.

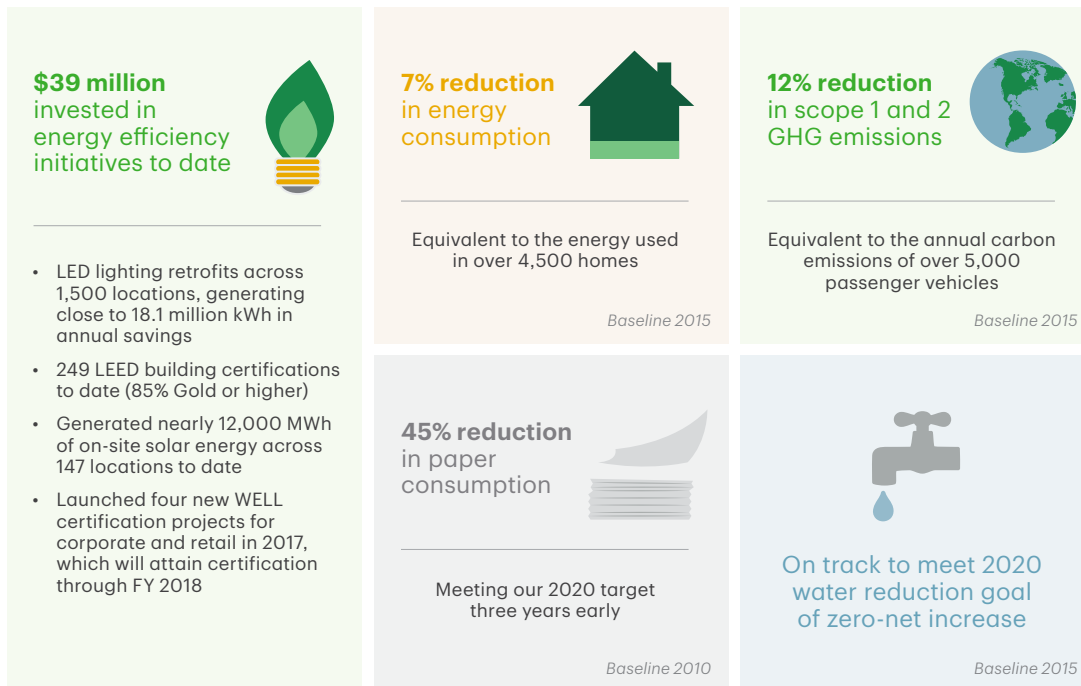
5 Scope 1 emissions include direct emissions from heating and cooling, leased aircraft and corporate fleet.

6 Scope 2 emissions include indirect emissions from electricity, heating and cooling.

7 In accordance with the GHG Protocol's Scope 2 Guidance, TD reports both location-based and market based scope 2 figure. In calculating scope 2 emissions from electricity, location-based scope 2 uses grid emission factors, while market based scope 2 uses the emission factors associated with our renewable energy credit (REC) purchases. Location based scope 2 will be used for the purposes of setting targets and tracking emissions.

Eco-efficiency at TD

TD's progress since 2010



5.4 Eco-Efficiency (continued)

Combining WELL and LEED building standards for maximum impact

As governments and industries work to meet GHG reduction goals, innovations and standards within the building sector are evolving. Generating up to 35% of all GHG emissions, buildings represent a considerable portion of global energy consumption and resource use. Given that North Americans spend an estimated 90% of their time indoors, ensuring a healthy indoor environment is a growing focus of building standards.

Through TD's Enterprise Green Buildings Program we work to improve the environmental performance of our buildings, the well-being of our employees and the health of the communities we serve. We currently have 4.4 million square feet of LEED-certified space across our North

American footprint, with 85% being Gold level certified or higher. Since receiving the world's first v1. WELL Gold Certification for our Toronto pilot project, we have launched four new WELL certifications that incorporate health and wellness elements such as improved lighting, systems to improve air and water quality, and healthy food options. In 2018, we plan to certify about 160,500 square feet of WELL space.

We are also exploring how we can incorporate WELL features onto floors within our LEED-certified spaces for maximum impact. Layering these standards together will improve the environmental performance of our spaces, while creating a healthy and positive work environment. In early 2018, we achieved our first LEED and WELL certified retail location in Bethesda, Maryland.

Environment and the Community

TD Common Ground Project

In recognition of Canada's 150 anniversary, TD invested in the revitalization of over 150 community green spaces to help create healthy, vibrant and inclusive green spaces for generations to enjoy. Through #TDCommonGround, seven large-scale projects were supported along with 100+ local grants throughout Canada. Learn more at commongroundproject.td.com.



To continue to support healthy green spaces, we asked Canadians how they feel about their green spaces. Top results showed:

95% of Canadians believe that access to community green space will be important to their quality of life in the future.

77% of Canadians feel their green space closest to their home can be improved.

59% of Canadians say their children spend less time outdoors than when they were their age.

The top **3** reasons Canadians use green spaces are linked to escapism, such as relaxing outside.

¹ TD commissioned a national poll of more than 1,500 Canadians with the TD GreenSights Survey, conducted by Environics Research. [Click here to read the full report.](#)



6.0 Governance

Material topics in this chapter

- 6.1 Corporate Governance and Integrity
- 6.2 Risk Management
- 6.3 Data Security and Privacy

2017 Highlights

TD ranked one of
World's 50 Safest Banks

for the 7th year in a row, earning
a coveted spot on the top 10 list

36%

Women on our
Board of Directors

TD named
Best Investor Relations

by Sector: Financial Services and
Best Corporate Governance
by *IR Magazine Awards*



6.1 Corporate Governance and Integrity

G4-38

G4-39

Why It's Material to TD

TD's Board of Directors is elected by TD's shareholders to oversee the management of the company and to assure that the long-term interests of shareholders are advanced responsibly, while addressing the concerns of other relevant stakeholders including the bank's employees, customers, regulators, communities and the public.

MANAGEMENT APPROACH

The Board of Directors and the management of TD are committed to leadership in corporate governance. We have designed our corporate governance policies, principles and practices to be sure we are focused on our responsibilities to shareholders and other relevant stakeholders and on creating long-term shareholder value. We have an independent Chairman with a clear corporate governance leadership mandate and a Board that is responsible for fulfilling a number of duties. These include:

- Setting the tone for risk, integrity and compliance culture throughout TD
- Approving the strategy and business objectives of the bank and overseeing their execution
- Overseeing the identification and monitoring of the principal risks affecting the bank's businesses

To help TD keep pace with evolving regulatory and market expectations, the Board regularly reviews and updates our governance practices and continues to represent the best interests of shareholders through a strong focus on transparency and accountability.

Among other duties, the Corporate Governance Committee of the Board is responsible for reviewing and assessing the bank's corporate responsibility strategy and reporting, including monitoring its environmental and social performance. In 2017 TD's Chairman, Brian Levitt (among others), participated in corporate responsibility-related engagements including management's presentation on ESG trends, including climate-related disclosures and a meeting with representatives of institutional investors in Canada to discuss board oversight of environmental and social risks.

Highlights of the initiatives undertaken by the Board and its committees' in fiscal 2017 are available in our [2018 Proxy Circular](#). TD also has extensive information about corporate governance practices available on our website.

Case Study

Proxy Access Policy

TD was one of the first Canadian companies to adopt proxy access in September 2017, after consultations with shareholders and other stakeholders, including the Canadian Coalition for Good Governance. Under TD's policy, qualifying shareholders may submit one or more director nominations to be included in the bank's proxy circular and form of proxy and ballot for an annual meeting of shareholders. More details are [available on our website](#). The Canadian Bank Act currently requires a minimum ownership of 5% of shares for a shareholder to have access to the bank's proxy circular to nominate director candidates. Most U.S. companies have a lower threshold of 3% of shares, which is preferred by some of TD's shareholders and other stakeholders in Canada. After listening to feedback from them, TD and another major Canadian bank jointly proposed changes to the Bank Act in a letter to the Canadian Minister of Finance also [available on our website](#). If and when the proposed legislative changes outlined in the letter are made, TD's board of directors intends to lower the minimum ownership threshold in the bank's proxy access policy to 3% instead of 5%.



ANALYST CORNER

[The Board of Directors and Its Committees](#)

[Disclosure of Corporate Governance Policies and Practices](#)

[Code of Conduct and Ethics for Employees and Directors](#)

[Whistleblower Hotline](#)

[Proxy Access Policy](#)

[AML/ATF/Sanctions Policy Summary](#)

[2017 Statement on Anti-Corruption](#)

6.1 Corporate Governance and Integrity (continued)

G4-57

G4-58

G4-LA12

PERFORMANCE IN 2017

TD's Board of Directors: (Information as of 2018 Proxy Circular – dated February 28, 2018)	See 2018 Proxy Circular
Independence	Page 76
Independent	93%
Non-Independent	7%
Meetings and Attendance Number of meetings (for the 12-month period ending October 31, 2017)	
Full Board	9
Corporate Governance Committee	6
Risk Committee	10
Audit Committee	8
Human Resources Committee	7
Average annual Board attendance	99%
Tenure	
Average Board tenure	5.9 years
Board Diversity	
% female independent Directors	38%
% female of all Directors	36%
% visible minority Directors	14%
Shareholders who voted in favour of the bank's approach to compensation	95%
Board oversight of corporate responsibility	Yes

Promoting responsible conduct

While reaching our business goals is critical to TD's success, how we achieve them is equally important. That's why the actions of our employees are subject to a number of internal policies, standards and guidelines. Anyone working on behalf of TD is required to complete compliance training related to customer protection and responsible business conduct in order to mitigate the risk of employee misconduct that could lead to customer harm, reputational damage or legal liability. To help

our employees understand current and evolving risks, we also provide awareness and training programs on anti-money laundering (AML), anti-terrorist financing (ATF), sanctions and anti-bribery/anti-corruption (ABAC).

In 2018, all eligible TD employees and Directors will be required to complete TD's Code of Conduct and Ethics training. The scenario-based course will promote awareness of TD's Code of Conduct and Ethics and reinforce expectations to consider what is right, legal and fair in our business decisions and actions.

Code of Conduct and Ethics	<ul style="list-style-type: none"> • A framework for how we interact. • Clearly states that irregular business conduct will not be tolerated. • Applies to employees and Directors. • Requires annual attestation. • The Audit Committee of the Board receives a report to confirm 100% of eligible employees have completed attestation.
Whistleblower Hotline	<ul style="list-style-type: none"> • Provides a confidential and anonymous communication channel for anyone, both external or internal to TD, to submit concerns regarding ethical, legal or accounting matters without fear of repercussions; or to submit allegations of retaliation for having reported matters in good faith. • Hosted by a third-party and independently managed within TD. • Includes the ability to report anonymously through a call centre or online.
Anti-Money Laundering and Anti-Terrorist Financing (AML/ATF) Sanctions and Anti-Bribery/Anti-Corruption (ABAC)	<p>A framework of policies designed to:</p> <ul style="list-style-type: none"> • Detect and deter the use of TD products and services for money-laundering and terrorist-financing activities and comply with AML/ATF laws and regulations. • Comply with economic and trade sanctions laws and regulations. • Provide principles of conduct to deter and detect bribery and corruption activities. <p>All newly-hired employees are required to complete mandatory AML/ATF, Sanctions and ABAC training. All existing employees complete refresher training each year. The training is customized to the risks and controls relevant to different employee groups, based on role, business and location of work.</p>

6.2 Risk Management

G4-14

Why It's Material to TD

Everyone at TD has a role to play in risk management. It's essential that we each play our part to protect our business, our customers and our employees from a variety of risks in the financial services sector. These include traditional financial risks inherent to banking, such as credit and interest rate risk, as well as modern-day risks such as climate change and cyber-security threats.

MANAGEMENT APPROACH

In the TD Framework, one of our shared commitments is to "Execute with speed and impact; only take risks we can understand and manage." TD executives, Directors and employees look to both our Enterprise Risk Framework and our Risk Appetite Statement for a common understanding of how TD views risk and determines the type and amount of risk that TD is willing to take to deliver the bank's strategy and enhance shareholder value.

TD employs a "three-lines-of-defence" model that describes the roles and responsibilities of our business segments; governance, risk and oversight groups; and internal audit in managing risks across TD. We regularly monitor and report on risk levels and compliance within TD's risk appetite to senior management, the Board and its committees. We also run education sessions, conferences and communication programs to increase awareness across the organization.

PERFORMANCE IN 2017

- Continued enhancement of the enterprise and business segments' Risk Appetite Statement, associated measures and reporting on TD's risk profile
- Continued focus on risk culture including reporting on the culture of integrity and ethical personal and business conduct
- Continued focus on current and emerging risks and issues of specific relevance
- Presentations and discussions on cyber security including the evolving threat landscape, incident response and resiliency capabilities

MANAGING ENVIRONMENTAL RISK

Environmental risk is the possibility of loss of strategic, financial, operational or reputational value resulting from the impact of environmental issues or concerns and related social risk, either short-term or long-term. Management of environmental risk is an enterprise-wide priority.

Key environmental risks include:

- **Direct risks:** Risks associated with the ownership and operation of the bank's business, which include management and operation of company-owned or -managed real estate, fleet, business operations and associated services.
- **Indirect risks:** Risks associated with environmental performance or environmental events, such as changing climate patterns that may have an impact on the bank's retail customers and clients to whom TD provides financing or in which TD invests.
- **Risk arising from the changing regulatory environment:** Including identification and management of new or emerging environmental regulatory issues.
- **Risk of opportunity loss:** Failure to understand and appropriately leverage environment-related trends to meet customer and consumer demands for products and services.

During incidents that could disrupt the bank's business and operations, Business Continuity Management supports the ability of senior management to continue to manage and operate their businesses and to provide customers access to products and services. The bank's enterprise-wide business continuity management program leverages a multi-tiered, global incident management governance structure to ensure effective oversight, responsibility and management of incidents affecting the bank. All areas of the bank are required to maintain and regularly test business continuity plans designed to respond to a broad range of potential scenarios.



ANALYST CORNER

Managing Risk (pg 72)

Update from the Risk Committee

TD's Risk Appetite Statement

We take risks required to build our business, but only if those risks:

1. Fit our business strategy and can be understood and managed
2. Do not expose the enterprise to any significant single-loss events (we don't "bet the bank" on any single acquisition, business or product)
3. Do not risk harming the TD brand

6.3 Data Security and Privacy

Why It's Material to TD

In the digital era, security and privacy threats continue to escalate. For a financial institution that relies extensively on technology, the consequences of a breach in data security and privacy are significant. They include potential financial damage to our customers, financial loss to TD, disruption to our operations and unauthorized release of confidential information, all of which could have a negative impact on the sustainability of our business in terms of public trust and, ultimately, our brand and our reputation.

MANAGEMENT APPROACH

As a financial institution, we approach the protection of our information, personal data and customer information as a fundamental component of our business. The bank actively monitors and manages security and privacy risks, and enhances its ability to mitigate them through enterprise-wide programs, industry best practices and threat and vulnerability assessments and responses.

TD's Information Security and Risk Management policies outline the organizational controls we have in place to help protect information. Our security measures include:

- Secure firewalls to help prevent unauthorized external access to TD internal systems
- Data encryption to help ensure that customer information can be decoded and read only within TD's online and mobile environment
- Around-the-clock monitoring to maintain the quality of TD's systems and proactively identify unusual customer account activity

Our strong commitment to data security and privacy is demonstrated in the bank's overall approach to governance and accountability:

- Cyber-security issues are managed by the Enterprise Risk Management Committee through the Chief Information Security Officer.
- A Global Chief Privacy Officer leads TD's Privacy Program and reports to the Global Chief Compliance Officer. Local privacy officers are responsible in the jurisdictions where the bank operates outside of Canada.

All eligible employees complete mandatory privacy and information-security training courses, which are refreshed annually. Through

continual awareness-building, such as our Cybersecurity Awareness Month every October, we work to promote a culture that understands the critical importance of data security and privacy, areas of vulnerability and how to remain vigilant when handling data.

TD also complies with many industry-level codes of conduct designed to protect consumers.

PERFORMANCE IN 2017

Data security

With more transactions taking place digitally, we continue to focus on preventing modern threats posed by cybercrime. This work included developing and applying strategies and tools to respond to the most critical risks, prioritizing the enhancement of controls in place for our most critical technology assets, monitoring our IT systems around the clock and actively collaborating with other banks and governments to exchange best practices and share threat intelligence information. Our active participation in Public Safety Canada's Canadian Cyber Incident Response Centre is an important forum for such efforts.

In 2017, we announced the opening of a dedicated cybersecurity office in Tel Aviv, Israel – a first for any Canadian bank – to tap into one of the world's leading markets for cybersecurity talent. The new office supports TD's ongoing development of cyber-related technical programs, research and learning curriculum as we build the bank of the future. Tel Aviv has become a global epicentre for cyber-defence technology, processes and systems that can help us both power and protect the next generation of digital innovation.



ANALYST CORNER

[How We Protect You \(Security Measures\)](#)

[How You Can Protect Yourself](#)

[Our Privacy Commitments](#)

6.3 Data Security and Privacy (continued)

G4-PR8

Privacy

In 2017, our Global Privacy team remained vigilant in maintaining bank-wide policies, procedures, standards and guidelines to help protect the personal information of our customers and employees. Globally, there were no adverse privacy findings against the Bank.

The Office of the Privacy Commissioner of Canada did not rule against the bank on any privacy complaints. In the U.S., there were no regulatory privacy findings against the bank and in Europe and Asia Pacific, no such complaints were made against the bank.

Our Canadian Privacy Office actively participates in the Canadian Bankers Association's (CBA) advocacy efforts in connection with guidance from the Office of the Privacy Commissioner of Canada on meaningful consent and inappropriate data practices. We also contributed to the CBA's May 2017 submission before the Standing Committee on Access to Information, Privacy and Ethics hearings, which touched upon meaningful consent and access rights.

We strive to have clear and easily accessible policies and practices so customers can find answers about how we manage their information. For example, [our mobile and online privacy codes](#) advise users on how the information collected when using the TD app and TD websites is handled. We also continue to offer products and services to help customers manage and improve their security and privacy. These include tip sheets on preventing financial fraud and smart online usage, as well as links to anti-virus and anti-malware software.

Caution Regarding Forward-Looking Statements

From time to time, the Bank (as defined in this document) makes written and/or oral forward-looking statements, including in this document, in other filings with Canadian regulators or the United States (U.S.) Securities and Exchange Commission (SEC), and in other communications. In addition, representatives of the Bank may make forward-looking statements orally to analysts, investors, the media, and others. All such statements are made pursuant to the "safe harbour" provisions of, and are intended to be forward-looking statements under, applicable Canadian and U.S. securities legislation, including the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements include, but are not limited to, statements made in this document, the Management's Discussion and Analysis ("2017 MD&A") in the Bank's 2017 Annual Report under the heading "Economic Summary and Outlook", for the Canadian Retail, U.S. Retail and Wholesale Banking segments under headings "Business Outlook and Focus for 2018", and for the Corporate segment, "Focus for 2018", and in other statements regarding the Bank's objectives and priorities for 2018 and beyond and strategies to achieve them, the regulatory environment in which the Bank operates, and the Bank's anticipated financial performance. Forward-looking statements are typically identified by words such as "will", "would", "should", "believe", "expect", "anticipate", "intend", "estimate", "plan", "goal", "target", "may", and "could".

By their very nature, these forward-looking statements require the Bank to make assumptions and are subject to inherent risks and uncertainties, general and specific. Especially in light of the uncertainty related to the physical, financial, economic, political, and regulatory environments, such risks and uncertainties – many of which are beyond the Bank's control and the effects of which can be difficult to predict – may cause actual results to differ materially from the expectations expressed in the forward looking statements. Risk factors that could cause, individually or in the aggregate, such differences include: credit, market (including equity, commodity, foreign exchange, interest rate, and credit spreads), liquidity, operational (including technology and infrastructure), reputational, insurance, strategic, regulatory, legal, environmental, capital adequacy, and other risks. Examples of such risk factors include the general business and economic conditions in the regions in which the Bank operates; the ability of the Bank to execute on key priorities, including the successful completion of acquisitions and dispositions, business retention plans, and strategic plans and to attract, develop, and retain key executives; disruptions in or attacks (including cyber-attacks) on the Bank's information technology, internet, network access, or other voice or data communications systems or services; the evolution of various types of fraud or other criminal behaviour to which the Bank is exposed; the failure of third parties to comply with their obligations to the Bank or its affiliates, including relating to the care and control of information; the impact of new and changes to, or application of, current laws and regulations, including without limitation tax laws, capital guidelines and liquidity regulatory guidance and the bank recapitalization "bail-in" regime; exposure related to significant litigation and regulatory matters; increased competition, including through internet and mobile banking and non-traditional competitors; changes to the Bank's credit ratings; changes in currency and interest rates (including the possibility of negative interest rates); increased funding costs and market volatility due to market illiquidity and competition for funding; critical accounting estimates and changes to accounting standards, policies, and methods used by the Bank; existing and potential international debt crises; and the occurrence of natural and unnatural catastrophic events and claims resulting from such events. The Bank cautions that the preceding list is not exhaustive of all possible risk factors and other factors could also adversely affect the Bank's results. For more detailed information, please refer to the "Risk Factors and Management" section of the 2017 MD&A, as may be updated in subsequently filed quarterly reports to shareholders and news releases (as applicable) related to any transactions or events discussed under the heading "Significant Events" in the relevant MD&A, which applicable releases may be found on www.td.com. All such factors should be considered carefully, as well as other uncertainties and potential events, and the inherent uncertainty of forward-looking statements, when making decisions with respect to the Bank and the Bank cautions readers not to place undue reliance on the Bank's forward-looking statements.

Material economic assumptions underlying the forward-looking statements contained in this document are set out in the 2017 MD&A under the headings "Economic Summary and Outlook", for the Canadian Retail, U.S. Retail, and Wholesale Banking segments, "Business Outlook and Focus for 2018", and for the Corporate segment, "Focus for 2018", each as may be updated in subsequently filed quarterly reports to shareholders.

Any forward-looking statements contained in this document represent the views of management only as of the date hereof and are presented for the purpose of assisting the Bank's shareholders and analysts in understanding the Bank's financial position, objectives and priorities, and anticipated financial performance as at and for the periods ended on the dates presented, and may not be appropriate for other purposes. The Bank does not undertake to update any forward-looking statements, whether written or oral, that may be made from time to time by or on its behalf, except as required under applicable securities legislation.



®/ The TD logo and other trade-marks are the property of The Toronto-Dominion Bank or a wholly-owned subsidiary, in Canada and/or other countries.