

# **Adapting with Purpose**

**2020 Environmental, Social  
and Governance Report**



# Table of Contents



## Introduction

Performance Summary for Investors	2
About This Report	3
1.1 A Message From Our CEO	4
1.2 About TD	6
1.3 ESG Framework	8
1.4 TD's Contribution to the Sustainable Development Goals (SDGs)	11
1.5 External Context	12
1.6 ESG Trends	14
1.7 How We Listen to Stakeholders	16
1.8 Our ESG Material Topics	17
1.9 What We Heard	18
1.10 ESG Scorecard and Goals	20

## Governance

2.1 Risk Management	24
2.2 Corporate Governance and Integrity	26
2.3 Tax	33
2.4 Human Rights	34
2.5 Data Security and Privacy	35

## Environmental

3.1 A Message From Our Head of Environment	39
3.2 Climate Change	40
3.3 Sustainable Finance	43
3.4 Lending	44
3.5 Investing	47
3.6 Responsible Resource Use	51

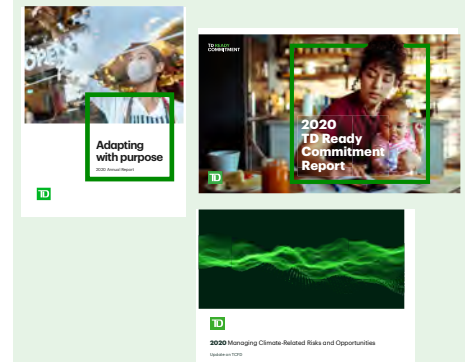
## Social

4.1 Financial and Economic Inclusion	53
4.2 Economic Value	56
4.3 Social Inclusion	58
4.4 Volunteerism	60
4.5 Responsible Sourcing	61
4.6 Customer Experience	63
4.7 Product and Service Responsibility	66
4.8 Diversity and Inclusion	69
4.9 Talent Attraction, Development and Retention	71
4.10 Health and Well-being	75

2020 Awards and Recognition	77
2020 Performance Data	78
2020 SASB Index	100
Endnotes	108
Acronyms	109
Caution Regarding Forward-Looking Statements	110

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

- [+ Annual Report](#)
- [+ TD Ready Commitment Report](#)
- [+ TCFD Report](#)
- [+ Policies and References](#)



# Introduction



## **Introduction**

Performance Summary for Investors	2
About This Report	3
A Message From Our CEO	4
About TD	6
ESG Framework	8
TD's Contribution to the Sustainable Development Goals (SDGs)	11
External Context	12
ESG Trends	14
How We Listen to Stakeholders	16
Our ESG Material Topics	17
What We Heard	18
ESG Scorecard and Goals	20

## **Governance** +

## **Environmental** +

## **Social** +

**2020 Awards and Recognition**

**2020 Performance Data**

**SASB Index**

**GRI Index**

**Endnotes**

**Acronyms**

**Caution Regarding  
Forward-Looking Statements**

# Performance Summary for Investors

## ESG Ratings

- Listed on the **Dow Jones Sustainability World Index** for the seventh consecutive year (only North American-based bank on the World Index).
- Maintained an **A-** score on the 2020 **CDP** for the sixth consecutive year.
- Included on the **Bloomberg Gender-Equality Index** for the fifth consecutive year.
- Scored **A** on the **CDP Supplier Engagement Rating**.

## Governance

- The **continuing education program for Directors** contains in-depth sessions on different business, economic, enterprise and regulatory topics.
- Launched the new **Environmental and Social (E&S) Risk Assessment** and **Borrower Climate Change tools** designed to provide a consistent and standardized approach to assessing E&S risks at the borrower and transaction level.
- TD elevated Environmental, Social and Governance (ESG) priorities and governance through the creation of a **Senior Executive Team (SET) Forum** to provide regular oversight on ESG and climate strategy development.

## Environmental

- Our global Climate Action Plan, launched in 2020, includes the following elements:
  - **Target to achieve net-zero greenhouse gas (GHG) emissions** associated with our operations and financing activities **by 2050**
  - **No new project-specific financial services**, including advisory services, for activities that are directly **related to the exploration, development or production of oil and gas within the Arctic Circle**, including the Arctic National Wildlife Refuge (ANWR)
  - A **new TD Sustainable Finance and Corporate Transitions Group** within TD Securities
  - A **TD ESG Centre of Expertise**
- Joined the **Partnership for Carbon Accounting Financials (PCAF)**.
- Issued an inaugural three-year **US\$500 million sustainability bond**; the proceeds from this issuance will be used to finance projects with environmental and/or social benefits.
- TD Asset Management (TDAM) **launched two new ESG-oriented mutual funds**.
- Contributed over **\$56 billion of our \$100 billion low-carbon economy target** through our low-carbon lending, financing, asset management and internal corporate programs in the last four years.

## Social

- Provided access to relief measures for customers facing financial hardships during the COVID-19 pandemic through **TD Helps** in Canada and **TD Cares** in the U.S.
- Introduced **TD Ready Advice** in Canada, which is designed to help customers feel confident about their financial choices.
- Quickly enabled **60,000** of our colleagues to work from home, including contact centres across Canada and the U.S. and trading teams in North America and Europe.
- Introduced the **TD Community Resilience Initiative**, allocating \$25 million to help strengthen community resilience today and into the future.
- Invested over **\$130 million** to support non-profit organizations across our footprint through the TD Ready Commitment.
- Made a broader and longer-term commitment to **increase minority executive representation across the Bank by 50% by 2025, at which time these communities will represent more than 25% of TD leaders. This will include a specific focus on Black and Indigenous talent.**
- Achieved our goal of having **women in 40% of roles titled vice president and above** in Canada in 2020.
- Launched **Indigenous Cultural Awareness Training** in June 2020 and added two new training modules on **Understanding Black Experiences** and **Anti-Black Racism/Anti-Racism**.

## Introduction

<b>Performance Summary for Investors</b>	<b>2</b>
About This Report	3
A Message From Our CEO	4
About TD	6
ESG Framework	8
TD's Contribution to the Sustainable Development Goals (SDGs)	11
External Context	12
ESG Trends	14
How We Listen to Stakeholders	16
Our ESG Material Topics	17
What We Heard	18
ESG Scorecard and Goals	20

## Governance +

## Environmental +

## Social +

## 2020 Awards and Recognition

## 2020 Performance Data

## SASB Index

## GRI Index

## Endnotes

## Acronyms

## Caution Regarding Forward-Looking Statements

# About This Report

## Reporting Scope and Boundary

This report presents the significant ESG issues and impacts of our activities during the fiscal year ending October 31, 2020. Reports from previous years are available at <https://www.td.com/esg>.

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

Throughout this report, “TD” or “the Bank” or “we” refers to TD Bank Group. “TD Bank” refers to TD Bank, America’s Most Convenient Bank®.

## Currency

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.

## Endnotes and Acronyms

The endnotes on [page 108](#) referenced throughout this report provide additional information on key concepts and metrics. Acronyms are used throughout this report. The complete list of acronyms can be found on [page 109](#).

**Symbol Key**

- + Supporting content (external links)
- ✓ Facts and figures for which EY provided a limited level of assurance
- ↓ Analyst Corner: Links to additional policies and references

## Reporting Frameworks

TD has used the Global Reporting Initiative (GRI) framework for sustainability reporting since 2007. TD’s 2020 ESG Report is prepared in accordance with the GRI Standards (Core option) and the GRI Financial Services Sector Disclosure. We also report in alignment with the Sustainability Accountability Standards Board (SASB). Our disclosures can be found here:

- + [GRI Boundary Table](#)
- + [Online GRI Content Index](#)
- + [SASB Index](#)

## External Assurance Reports

Selected performance indicators were independently assured by Ernst & Young (EY). EY performed a limited and reasonable assurance engagement for a selection of TD’s social and environmental performance indicators, including:

- + [Assurance statement for the 2020 ESG Metrics, Greenhouse Gas Emissions and Carbon Neutral Schedule](#)
- + [Assurance statement for the 2020 Green Bond Schedule](#)
- + [Assurance statement for the 2020 Sustainability 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](mailto:customer.service@td.com)
- Shareholders:** [tdshinfo@td.com](mailto:tdshinfo@td.com)
- Investors:** [tdir@td.com](mailto:tdir@td.com)
- Suppliers:** [tdsource@td.com](mailto:tdsource@td.com)
- Community groups:** [tdreadycommitment@td.com](mailto:tdreadycommitment@td.com)
- On Twitter:** [@TD\\_Canada](#) or [@TDBank\\_US](#)
- By text:** TDHELP (834357)



## Introduction

- Performance Summary for Investors 2
- About This Report 3**
- A Message From Our CEO 4
- About TD 6
- ESG Framework 8
- TD’s Contribution to the Sustainable Development Goals (SDGs) 11
- External Context 12
- ESG Trends 14
- How We Listen to Stakeholders 16
- Our ESG Material Topics 17
- What We Heard 18
- ESG Scorecard and Goals 20

## Governance +

## Environmental +

## Social +

- 2020 Awards and Recognition
- 2020 Performance Data
- SASB Index
- GRI Index
- Endnotes
- Acronyms
- Caution Regarding Forward-Looking Statements

# A Message From Our CEO



At TD, we believe that banking serves a higher purpose. Throughout 2020, our purpose guided our work to support our customers, communities and colleagues during a time of unprecedented disruption and hardship.

We continue to face the impacts of the COVID-19 pandemic on our daily lives. We know that all crises end, and we are optimistic about the future. However, we also understand that the road to recovery may be long, with many challenges ahead.

As we rebuild together, TD recognizes that the commitment we make and the actions we take in support of our Environmental, Social and Governance Framework are critical in achieving a more inclusive and sustainable future for all. This Framework will continue to guide our contribution to recovery efforts and ongoing work to create the conditions for everyone to have the opportunity to succeed in a rapidly changing world.

## Early Action and Lasting Impact

To address the growing impacts of COVID-19, TD launched new programs and initiatives to support those we serve and employ and to strengthen the communities in which we operate.

**Customer Support**—As the health crisis led to economic hardship, we provided direct financial assistance to our customers and supported programs to extend much-needed government aid to enable thousands of households and businesses to navigate a challenging period. The investments we have made in technology and operations enabled us to work closely with governments to deploy billions in direct payments and stimulus through multiple programs across Canada and the United States.

**Community Resilience**—COVID-19 touched everyone's lives. However, many already vulnerable communities were disproportionately affected by the pandemic, and experienced deeper economic and health impacts. We took early action and allocated \$25 million through the newly established **TD Community Resilience Initiative** to help these communities and help promote a stronger recovery. We are focused on continuing to build, fund and support new programs to help those most impacted by the pandemic.

**Combatting anti-Black Racism**—The past year has further shined a spotlight on racism and discrimination and their insidious impact on all facets of society. In 2020, we engaged in challenging conversations on racism, opening the door for meaningful change and inspiring us to take additional action. TD encouraged open dialogue, delivered new training initiatives across the enterprise and we challenged ourselves to do more. For example, we funded and formed deeper relationships with organizations that support diverse talent and economic inclusion in the community and established new targets for minority executive representation across the Bank, with a clear focus on Black and Indigenous communities.

**Colleague Commitment**—Throughout the year, we remained committed to our colleagues. To help alleviate doubt during a stressful time, we committed to no job losses in 2020 for TD colleagues as a result of COVID-19. We took immediate steps to protect those who worked at TD locations, branches and stores and invested in technology to keep us connected with each other and with those we serve. At the height of the pandemic, we supported the redeployment of more than 5,000 colleagues to new areas of the Bank. We recognized our colleagues' efforts with special payments to front-line teams and Bank-wide non-executive recognition awards and invested in their future with training and new skill development.

## Climate Change is a Critical Business and Environmental Imperative

TD has a long history of environmental leadership – we were the first major North American bank to become carbon neutral in 2010. We have also helped drive growth in the green, social and sustainability bond market, made significant progress on low-carbon lending, financing, asset management and internal corporate programs, and deployed millions in research and technological innovation.

## Introduction

Performance Summary for Investors	2
About This Report	3
<b>A Message From Our CEO</b>	<b>4</b>
About TD	6
ESG Framework	8
TD's Contribution to the Sustainable Development Goals (SDGs)	11
External Context	12
ESG Trends	14
How We Listen to Stakeholders	16
Our ESG Material Topics	17
What We Heard	18
ESG Scorecard and Goals	20

## Governance +

## Environmental +

## Social +

## 2020 Awards and Recognition

## 2020 Performance Data

## SASB Index

## GRI Index

## Endnotes

## Acronyms

## Caution Regarding Forward-Looking Statements

In 2020, we built on these strong foundations and announced an ambitious **Climate Action Plan**, which includes a target to reach net-zero emissions across our operations and financing activities by 2050, aligned to the associated principles of the Paris Agreement. We were the first Canadian bank to set this target, and among only a handful across our footprint. We advanced our environmental commitments by publicly announcing that we will not provide new project-specific financial services for activities that are directly related to the exploration, development or production of oil and gas in the Arctic Circle.

We are focused on developing and promoting measurement and tracking methodologies, alongside national, industry and global organizations, to help measure our progress toward our 2050 targets. The Bank will continue to work with clients, including the energy sector, to deliver advice, financing and support as they build their transition strategies for a low-carbon future.

At TD, we take a balanced approach. We strongly support the transition to a low-carbon economy and are committed to our bold Climate Action Plan. At the same time, while this transition is taking place, we believe it is important to support responsible energy development to meet the needs of the economies in which we all live and work.

**A Culture of Accountability**

I am particularly proud that, for the seventh consecutive year, TD was named to the Dow Jones Sustainability World Index, the only North American bank included in the ranking. ESG progress is the result of sustained, enterprise-wide effort to serve all our stakeholders.

We know we will only be fully successful when ESG informs how we run the Bank, the types of products, funds and services we offer our customers, the advice and financing we deliver to clients, and the way we manage risk. Through enhanced disclosures and clear metrics, we aim to measure what we target and report on our progress. From our Board to our most senior leaders and all across the front lines of the Bank, we are focused on embedding ESG principles into both our strategy and our operations. TD has linked senior executive compensation with the Bank's ESG performance, further reinforcing the importance of ESG as a core component of TD's business globally.

**Investing in a More Inclusive Future**

We have always invested in a more inclusive future within the Bank and across the communities we serve. Through the **TD Ready Commitment**, we continue to promote and contribute to better outcomes across our communities. In 2020 alone we invested more than \$130 million in programs and the Bank will continue to advance a more inclusive future through our refreshed ESG Framework and the broader programs established in 2020.

**The Road to Recovery**

TD will meet the biggest challenges of our generation with determination and purpose. We will invest in what matters, further align societal progress with business performance, deploy our resources and leverage the talent of our 90,000 colleagues around the world to help build the *Better Bank*.

I want to thank all our stakeholders for your trust and support, and our colleagues for their tremendous efforts in a challenging year. I am confident that, together, we will overcome this period of disruption and emerge even stronger.

Thank you,

**Bharat Masrani**  
Group President and Chief Executive Officer



**Brian Levitt**  
Chair of the Board

*"TD's purpose is to enrich the lives of its customers, communities and colleagues. This statement of purpose animates and is reflected in the Bank's strategy, Risk Appetite Framework, culture and operating policies and procedures. Corporate citizenship, ESG and mitigation of E&S risks are key parts of TD's overall business strategy to be a purpose-driven organization, and one of the Board's responsibilities is to oversee the implementation and monitor performance with respect to TD's corporate citizenship and environmental and social strategy and objectives."*

**Introduction**

- Performance Summary for Investors 2
- About This Report 3
- A Message From Our CEO 4**
- About TD 6
- ESG Framework 8
- TD's Contribution to the Sustainable Development Goals (SDGs) 11
- External Context 12
- ESG Trends 14
- How We Listen to Stakeholders 16
- Our ESG Material Topics 17
- What We Heard 18
- ESG Scorecard and Goals 20

**Governance +**

**Environmental +**

**Social +**

**2020 Awards and Recognition**

**2020 Performance Data**

**SASB Index**

**GRI Index**

**Endnotes**

**Acronyms**

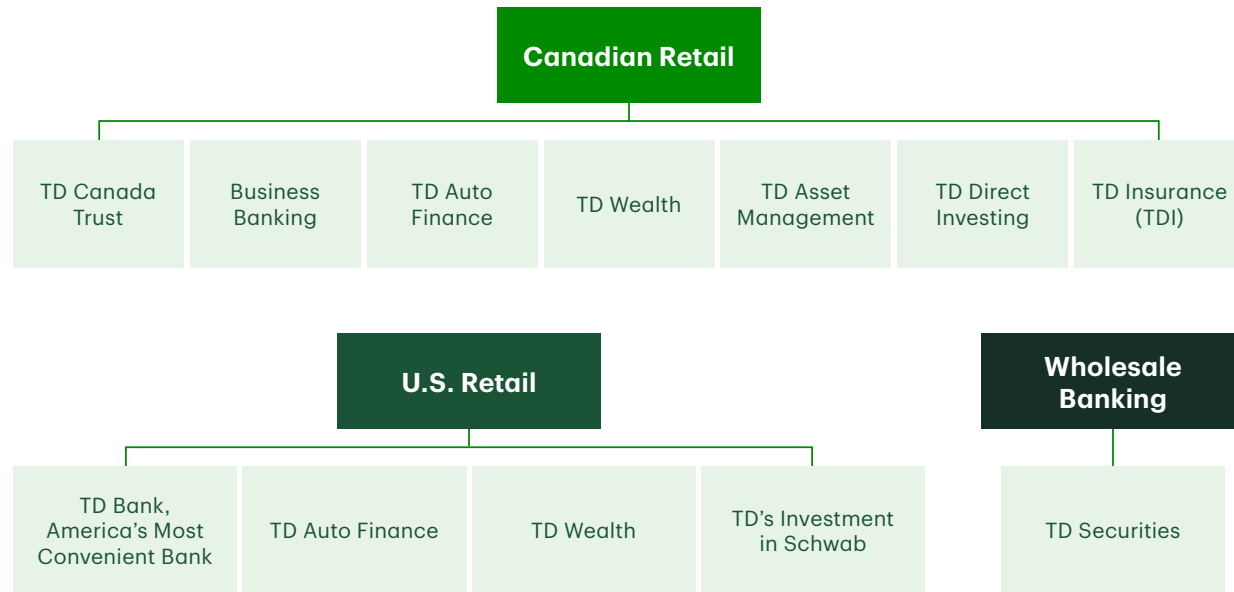
**Caution Regarding Forward-Looking Statements**

# About TD

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

## Our Business

### TD Bank Group



## Countries of Operation



**2,300+**  
retail locations in North America



**15**  
TD Securities offices worldwide

## Introduction

- Performance Summary for Investors 2
- About This Report 3
- A Message From Our CEO 4
- About TD 6**
- ESG Framework 8
- TD's Contribution to the Sustainable Development Goals (SDGs) 11
- External Context 12
- ESG Trends 14
- How We Listen to Stakeholders 16
- Our ESG Material Topics 17
- What We Heard 18
- ESG Scorecard and Goals 20

## Governance +

## Environmental +

## Social +

### 2020 Awards and Recognition

### 2020 Performance Data

### SASB Index

### GRI Index

### Endnotes

### Acronyms

### Caution Regarding Forward-Looking Statements



## Our Business

(as of October 31, 2020)

**26.5m**  
customers served  
around the globe



**6,200+**  
ATMs in North America

**14m+**  
active digital customers

**~90,000**  
TD employees

**2,300+**  
retail locations across  
North America

## 2020 Financial Performance<sup>1</sup>

**\$1.7t**  
total assets

**\$5.0b**  
cash dividends to  
shareholders

**5.9%**  
total shareholder return  
(5-year CAGR)<sup>2</sup>

**\$1.1t**  
total deposits

**\$11.9b**  
reported earnings



## Economic Value Distributed

(during year ended October 31, 2020)

**\$130m+**  
community giving

**\$11.9b**  
in salaries and benefits

**\$5.1b**  
operating expenses,<sup>3</sup>  
including procurement



**\$2.1b**  
paid in corporate and  
property taxes<sup>4</sup>

**80,000+**  
volunteer hours by  
TD employees<sup>5</sup>

<sup>1</sup> Financial performance indicators are based on TD's full-year reported results for the year ended October 31, 2020. Unless otherwise indicated, all amounts are expressed in Canadian dollars and have been primarily derived from the Bank's annual Consolidated Financial Statements prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board. Results prepared in accordance with IFRS are referred to as the "reported" results.

<sup>2</sup> Five-year CAGR is the compound annual growth rate calculated from 2015 to 2020. Source: Bloomberg. Canadian peers include Bank of Montreal, Canadian Imperial Bank of Commerce, Royal Bank of Canada and Scotiabank.

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

<sup>4</sup> Includes sales taxes, municipal and property taxes, insurance premium taxes, business taxes and capital taxes. Excludes \$602 million in payroll taxes, which are included in salaries and benefits for the purpose of this exhibit.

<sup>5</sup> As logged on the TD Ready Commitment Network.

### Introduction

Performance Summary for Investors	2
About This Report	3
A Message From Our CEO	4
<b>About TD</b>	<b>6</b>
ESG Framework	8
TD's Contribution to the Sustainable Development Goals (SDGs)	11
External Context	12
ESG Trends	14
How We Listen to Stakeholders	16
Our ESG Material Topics	17
What We Heard	18
ESG Scorecard and Goals	20

### Governance +

### Environmental +

### Social +

### 2020 Awards and Recognition

### 2020 Performance Data

### SASB Index

### GRI Index

### Endnotes

### Acronyms

### Caution Regarding Forward-Looking Statements

# ESG Framework

## Our Responsibility

At TD, our vision is to Be the Better Bank. As we have grown, adapted and prospered throughout our 165-year history, we have done so with an understanding that we can only thrive when the communities we serve thrive. And, while this has always been our journey, our progress toward this goal has never been more critical to our collective future.

We recognize that the economic, environmental and social challenges faced by our communities also have an impact on TD. Our aim is to have an overall positive contribution on these issues through our business, philanthropy and people. We cannot solve all these problems alone, but we can help contribute to solutions in collaboration with our stakeholders.

Therefore, our success is not only measured by our financial performance – it’s also measured by the extent to which we do what’s right, today and in the long term. TD strives to enrich the lives of our customers, communities and colleagues. That is our purpose.

## What is the ESG Framework?

Corporate citizenship and ESG are key drivers of this purpose. In 2018, we launched the **TD Ready Commitment** to work together towards a more inclusive and sustainable tomorrow and, in so doing, act as a positive change agent across our footprint by connecting, enriching and supporting the communities in which we live and work. The TD Ready Commitment accomplishes this goal by leveraging our business, philanthropy and people across four priority areas:

- **Financial Security:** We aspire to help people feel more confident about their financial future.
- **Vibrant Planet:** We aspire to help improve the environment so people and economies can thrive.
- **Connected Communities:** We aspire to help people participate in their community.
- **Better Health:** We aspire to create more equitable health outcomes for all.

We believe that economic growth and sustainability are intrinsically linked, and we can play a positive role in fostering both, given our intentional approach where we act locally to help achieve global goals. As part of the TD Ready Commitment, TD has targeted a total of \$1 billion in community giving by 2030 and a total of \$100 billion toward low-carbon initiatives through lending, financing, asset management and internal corporate programs by 2030.

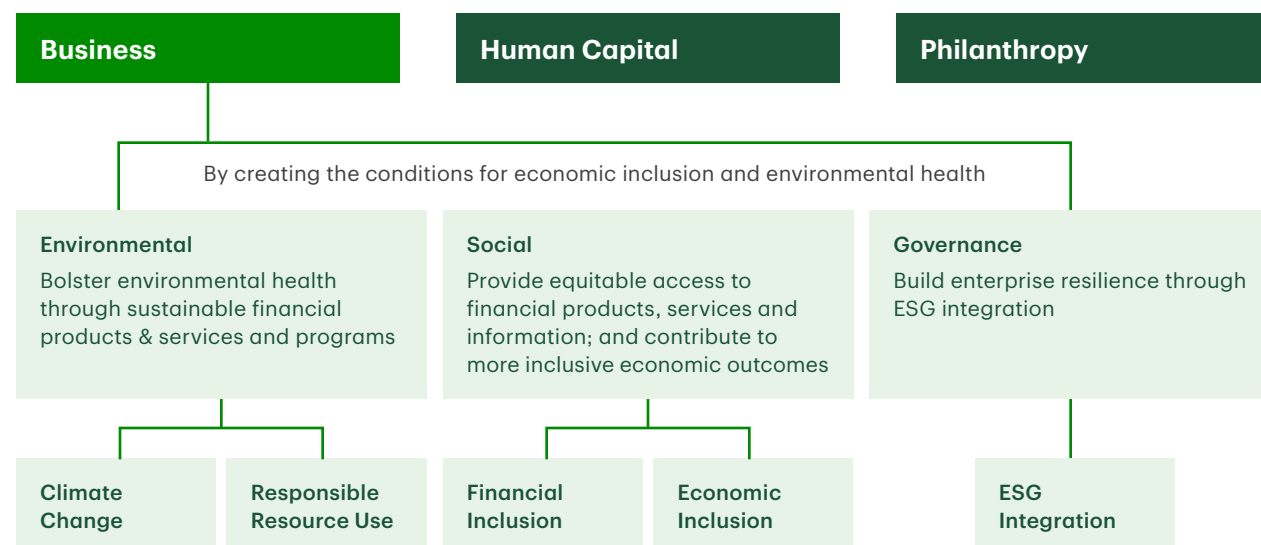
The ESG Framework specifically helps translate the objectives of the TD Ready Commitment through our business.

**Environmental:** Climate change is a critical environmental and business challenge and will require significant effort over the long term to help economies transition successfully to a low-carbon future. The global Climate Action Plan that we announced on November 9, 2020, further strengthens TD’s commitment to environmental leadership and a more sustainable future for all stakeholders.

**Social:** Economic inequality is increasing and has been significantly exacerbated by the pandemic. Black, Indigenous and visible minority/minority communities and women, particularly women within these communities, have been disproportionately affected, and growing inequities contribute more broadly to economic, social and political uncertainty across our footprint. TD has a deep-rooted history of inclusion and is further embedding financial and economic inclusion priorities in our business and services.

## TD READY COMMITMENT

Working together towards an inclusive and sustainable future



## Introduction

Performance Summary for Investors	2
About This Report	3
A Message From Our CEO	4
About TD	6
<b>ESG Framework</b>	<b>8</b>
TD’s Contribution to the Sustainable Development Goals (SDGs)	11
External Context	12
ESG Trends	14
How We Listen to Stakeholders	16
Our ESG Material Topics	17
What We Heard	18
ESG Scorecard and Goals	20

## Governance +

## Environmental +

## Social +

### 2020 Awards and Recognition

### 2020 Performance Data

### SASB Index

### GRI Index

### Endnotes

### Acronyms

### Caution Regarding Forward-Looking Statements

**Governance:** TD has established the TD ESG Centre of Expertise to draw on experts from across TD to participate in the global efforts needed to enable a low-carbon and inclusive economy. We will bring together the experience and talent of colleagues working on these issues across the enterprise, allowing for coordinated and streamlined efforts, minimizing gaps and helping to ensure speed of decision-making.

Our ESG Framework is focused on integrating ESG principles into our business practices and designed to keep us at the forefront of societal change, leveraging our entire business platform to help create the conditions for environmental health and inclusive economic outcomes by:

- Proactively identifying and mitigating ESG risks material to our business
- Amplifying ESG business opportunities and strengthening client and sector relationships
- Aligning ESG positions and priorities across the enterprise
- Demonstrating leadership and influence and differentiating the TD brand

**How Will the ESG Framework Drive Future Strategy?**

We are working to integrate ESG into our business approach so that social and environmental factors are part of the consideration for products, services, policies and procedures. For example:

- Given that our success as a business relies on a thriving economy, we can leverage our record of inclusion and help further inclusive priorities in our business and services. Social and economic inequality and instability add risk to our business, given that the demand for our products and services is driven by a strong, stable, growing economy.
- TD has a long history in environmental progress, providing the credibility and expertise to leverage our risk and business platforms to demonstrate leadership on climate matters relevant to our business and act as a trusted advisor to clients seeking to transition to the low-carbon economy.

TD will focus our efforts on making progress to these priority topics, in addition to continuing to measure the performance of the full suite of ESG topics that are significant to our business and operations.

Focus Area	Goal	Links
<b>Environmental</b>		
<b>Climate Change</b>	Support the transition to a low-carbon economy and reduce the impact of climate change on our business <ul style="list-style-type: none"> <li>• Develop targets to reduce TD’s contribution to climate change</li> <li>• Limit climate risk to our business</li> </ul>	<ul style="list-style-type: none"> <li>+ <b>Climate Change</b></li> <li>+ <b>Sustainable Finance</b></li> <li>+ <b>Responsible Resource Use</b></li> <li>+ <b>TCFD Report</b></li> </ul>
<b>Responsible Resource Use</b>	Encourage the responsible and efficient use of resources through the Bank’s operations <ul style="list-style-type: none"> <li>• Focus on reducing waste</li> <li>• Help encourage the transition to a circular economy</li> </ul>	
<b>Social</b>		
<b>Financial Inclusion</b>	Offer a variety of inclusive financial products and services that are accessible and affordable to a wide range of individuals and businesses <ul style="list-style-type: none"> <li>• Access to financial products and services</li> <li>• Financial education and advice</li> <li>• Access to credit/capital</li> <li>• Addressing segment-specific needs</li> </ul>	<ul style="list-style-type: none"> <li>+ <b>Financial and Economic Inclusion</b></li> <li>+ <b>Social Inclusion</b></li> <li>+ <b>Responsible Sourcing</b></li> <li>+ <b>Diversity and Inclusion</b></li> </ul>
<b>Economic Inclusion</b>	Contribute to making economic outcomes such as stable employment, income, business ownership and wealth more accessible and equitably distributed among and across groups <ul style="list-style-type: none"> <li>• Access to affordable housing, jobs, basic infrastructure and essential services such as health care and education</li> <li>• Inclusive supply chain</li> <li>• Equitable employment advancement and pay</li> </ul>	
<b>Governance</b>		
<b>ESG Integration</b>	Formalizing and Integrating an ESG operating model	+ <b>Corporate Governance</b>



**Introduction**

- Performance Summary for Investors 2
- About This Report 3
- A Message From Our CEO 4
- About TD 6
- ESG Framework 8**
- TD’s Contribution to the Sustainable Development Goals (SDGs) 11
- External Context 12
- ESG Trends 14
- How We Listen to Stakeholders 16
- Our ESG Material Topics 17
- What We Heard 18
- ESG Scorecard and Goals 20

**Governance +**

**Environmental +**

**Social +**

**2020 Awards and Recognition**

**2020 Performance Data**

**SASB Index**

**GRI Index**

**Endnotes**

**Acronyms**

**Caution Regarding Forward-Looking Statements**



**Norie Campbell**  
Group Head and General Counsel

*“At TD, our vision is to Be The Better Bank. The challenges that came with 2020 have further strengthened TD’s resolve to build a more sustainable and inclusive future. The world is changing at a significant pace, and many people are concerned that they – or their children – will be left behind and excluded from social and economic opportunities. At TD, we want to be part of the solution, and two of our responses from 2020 stand out – the TD Community Resilience Initiative, launched in March 2020 in response to COVID-19, and our ambitious Climate Action Plan, announced in November 2020, which includes a target to achieve net-zero GHG emissions by 2050 associated with our operating and financing activities. As we move forward, our new ESG Framework is the platform embedded in our strategy, business and operations that we will use to elevate the conversation and propel tangible actions that will enrich the lives of our customers, colleagues and the communities that we serve.”*



**Andrea Barrack**  
Global Head, Sustainability & Corporate Citizenship

*“As a purpose-driven organization, we strive to enrich the lives of our customers, colleagues and the communities we serve. Articulating this purpose clearly through our business, philanthropy and people is why we launched the TD Ready Commitment in 2018. It is an evolution of our long history of social and environmental commitments, and it is a more focused vision of what we believe in: a more inclusive and sustainable tomorrow. As the complex ESG landscape raises new and emerging challenges, the ESG Framework specifically helps translate the objectives of the TD Ready Commitment through our business by focusing on integrating ESG principles into our business practices and helping create the conditions for economic inclusion and environmental health.”*



**Amy West**  
Managing Director, Global Head of Sustainable Finance & Corporate Transitions

*“The Sustainable Finance and Corporate Transitions group is a centralized point of contact for ESG within TD Securities. We bring together a broad range of expertise from capital markets, investment banking, climate policy, climate risk, framework advisory, corporate sustainability consulting and ESG research, among other areas. This allows us to leverage knowledge across all aspects of the business to deliver holistic solutions and advice to our clients in this rapidly evolving area.”*



**Priti Shokeen**  
VP & Director, TDAM

*“Investors are increasingly making the link between systemic and material ESG factors and a company’s long-term performance. For TDAM, creating access to sustainable investment solutions for investors continues to be a priority. Our approach is focused on investing in sustainable long-term assets through a risk-managed process. We integrate ESG factors into our investment decision-making across asset classes and engage with companies as active owners on issues that are likely to impact the long-term performance of an investment.”*

**Introduction**

- Performance Summary for Investors 2
- About This Report 3
- A Message From Our CEO 4
- About TD 6
- ESG Framework 8**
- TD’s Contribution to the Sustainable Development Goals (SDGs) 11
- External Context 12
- ESG Trends 14
- How We Listen to Stakeholders 16
- Our ESG Material Topics 17
- What We Heard 18
- ESG Scorecard and Goals 20

**Governance +**

**Environmental +**

**Social +**

**2020 Awards and Recognition**

**2020 Performance Data**

**SASB Index**

**GRI Index**

**Endnotes**

**Acronyms**

**Caution Regarding Forward-Looking Statements**

# TD's Contribution to the Sustainable Development Goals (SDGs)

The United Nations' (UN) SDGs provide a plan of action to achieve shared prosperity for the world at large. The SDG framework, through 17 goals, 169 targets and 230 related indicators, aims to help align international efforts to leave a peaceful, healthy and prosperous planet for future generations.<sup>1</sup>

While TD contributes directly and indirectly to each of the 17 SDGs, a detailed consideration of the indicators and metrics that comprise the UN's SDG framework has helped us to identify a total of twelve SDGs that are most material to our business and aligned with the goals of the TD Ready Commitment. As we track the impact of the TD Ready Commitment, we will also measure our contribution to these goals and targets. With the introduction of our new ESG framework in 2020, we have expanded our alignment to the SDGs from 9 to 12 SDGs.



## Introduction

Performance Summary for Investors	2
About This Report	3
A Message From Our CEO	4
About TD	6
ESG Framework	8
<b>TD's Contribution to the Sustainable Development Goals (SDGs)</b>	<b>11</b>
External Context	12
ESG Trends	14
How We Listen to Stakeholders	16
Our ESG Material Topics	17
What We Heard	18
ESG Scorecard and Goals	20

## Governance +

## Environmental +

## Social +

### 2020 Awards and Recognition

### 2020 Performance Data

### SASB Index

### GRI Index

### Endnotes

### Acronyms

### Caution Regarding Forward-Looking Statements

# External Context

## Keeping Customers, Employees and Communities Safe and Secure During COVID-19

In 2020, the COVID-19 pandemic has disrupted lives and affected economies and societies around the world. Hundreds of millions are living a new reality with disrupted daily routines and increased uncertainty. Early action by governments, banks and supervisory agencies helped ease the financial stress on households and businesses. TD continues to be actively engaged in the recovery effort, guided by the principles of supporting the well-being of our customers, employees and communities we serve and maintaining the Bank’s operational and financial resilience. Key steps taken to support customers, employees and the communities we serve are listed below.

### Standing by Our Customers With Financial Assistance, Advice and Accessibility

- We have provided support to over **450,000 customers and accounts through TD Helps in Canada and TD Cares in the U.S.**, deferred payments on approximately **\$84 billion in loan balances<sup>2</sup>** and offered insurance customer relief programs that exceeded **\$88 million in premiums**.
- We facilitated the flow of billions of dollars in government funds to businesses through programs such as the **Canada Emergency Business Account** program in Canada and the **Paycheck Protection Program (PPP)** in the U.S.
- We increased the use of **simple apps**, a platform leveraged to facilitate access to both government and TD-led relief programs such as the TD Cares deferral program and the Canada Emergency Response Benefit. The platform handled over **500,000 requests** within a three-month span and made it easy for users to access relief.
- TD helped the Canadian federal government deliver income support to households through the **Canada Emergency Response Benefit program**, with **\$11.5 billion direct deposits** facilitated in 2020.

### Helping Our Employees Adapt to the Changing Nature of Work

- Acknowledging the disruption and uncertainty caused by the pandemic, TD announced that there would be **no job losses as a result of COVID-19 in 2020**.
- We moved **60,000 employees** to remote work in the space of a few weeks and implemented critical health and safety measures to protect those employees required to be in TD branches and stores.
- In recognition of their front-line service, customer-facing employees required to work from a TD location in Canada and the U.S. received a **recognition award of \$1,500** (\$500 per month in April–June) and **three additional paid days off**.
- All non-executive full-time and part-time employees received a **\$500 Thank You award** for the unparalleled resilience and determination they have shown in their work during the pandemic.<sup>3</sup>
- To keep our employees engaged, we held **virtual events**, including celebrations related to Pride and Indigenous history and summits related to women in leadership, disability inclusion and veterans.
- Our investment in **TD Thrive**, a web-based development platform, helps support employees in their professional and personal growth.
- We provided **virtual health care** to employees in Canada, the U.S., the U.K. and Singapore, allowing them **24/7 on-demand access** to virtual medical consultations.



**Ajai Bambawale**  
Group Head and  
Chief Risk Officer,  
TD Bank Group

*“TD had plans to prepare for – and head off or weather – a wide array of calamities, but none of our playbooks and protocols fully prepared us for the crisis COVID-19 created. With COVID-19, we had a big human element to deal with: How do we keep our employees spread all over the world safe? However, we did have robust capital reserves, good-quality loans and assets and a culture that values risk management. By late January, we assembled crisis management teams to plan for health and safety measures for employees and customers, with regular input from our Chief Medical Director.*

*At the outset, in some ways we could not believe this was happening. But we never assumed it was not coming to North America, which is why we invoked crisis protocols so early. One of the lessons we have learned for the future is that we need to do more pandemic planning.”*

## Introduction

Performance Summary for Investors	2
About This Report	3
A Message From Our CEO	4
About TD	6
ESG Framework	8
TD’s Contribution to the Sustainable Development Goals (SDGs)	11
<b>External Context</b>	<b>12</b>
ESG Trends	14
How We Listen to Stakeholders	16
Our ESG Material Topics	17
What We Heard	18
ESG Scorecard and Goals	20

## Governance +

## Environmental +

## Social +

### 2020 Awards and Recognition

### 2020 Performance Data

### SASB Index

### GRI Index

### Endnotes

### Acronyms

### Caution Regarding Forward-Looking Statements

**Strengthening the Resilience of Our Communities**

- TD announced the **TD Community Resilience Initiative**, a comprehensive program that includes funding, employee engagement and ongoing collaboration with organizations and community groups across TD’s footprint. The initiative, part of the TD Ready Commitment, the Bank’s corporate citizenship platform, has allocated **\$25 million** to help strengthen community resilience today and into the future.
- Recognizing the immense impact of COVID-19 on society, particularly on vulnerable communities, the **TD Ready Challenge** pivoted to support innovative solutions that help address the impacts of the pandemic. The **\$10 million** annual initiative supports organizations developing innovative solutions for a changing world.
- The remaining funds are focused on **community giving (\$13 million)** and **matching grants programs (\$2 million)**.



**Concrete Action Taken to Combat Anti-Black Racism**

In 2020, we witnessed horrific incidents of anti-Black racism in Canada and the U.S., including the tragic killings of George Floyd, Breonna Taylor and Regis Korchinski-Paquet, among others. These events have caused immense pain and suffering for Black communities and outrage across the globe. At TD, we condemn racism in any form. The horrific events over the summer of 2020 have hurt customers, colleagues and communities, while further exposing the deeply ingrained, long-standing, unresolved issues of racism. To address these challenges:

- We are committed to **doubling the representation of Black executives at TD by the end of 2022**. In the long term, we are committing to **increase minority executive representation across TD by 50% by 2025**, at which time these communities will represent more than 25% of TD leaders. This will include a specific focus on Black and Indigenous professionals.
- We have established an enterprise-wide **Black Experiences** area of focus within our Diversity and Inclusion (D&I) strategy.
- We added two new training modules on **Understanding Black Experiences** and **Anti-Black Racism/Anti-Racism**.
- We have empowered TD employees to **learn more about the impacts of anti-Black racism** by providing them with resources on how to be anti-racist, virtual group experiences offered by Black-led and Black-focused organizations and learning sessions held to better understand Black communities in North America. In 2020, we also facilitated **Uncomfortable Conversations**, a series of virtual global events where TD leaders and employees from Canada and the U.S. discussed racial injustice issues.
- We are **expanding our diverse business segment teams** in Canada to include a new dedicated focus on Black communities and businesses. In the U.S., we will work toward becoming the **bank of choice** for Black communities and minority-owned businesses.
- We are participating, along with other financial institutions, in the **Black Entrepreneurship Loan Fund** to help thousands of Black business owners and entrepreneurs across Canada recover from systemic anti-Black racism and grow their business.
- We have directed **\$17.5 million** to help address both the immediate and longer-term impacts of racism and advance related goals (**\$12.1 million** for Black-focused or Black-led organizations and **\$5.4 million** for Indigenous communities). In Canada, for example, we are working together with the **Canadian Association of Urban Financial Professionals**, the **Canadian Association of Black Lawyers** and the **Canadian Association of Black Journalists** to help address anti-Black racism and create lasting change in society. In the U.S., we are providing direct financial support to **historically Black colleges and universities** such as Delaware State University and Lincoln University.

**Introduction**

Performance Summary for Investors	2
About This Report	3
A Message From Our CEO	4
About TD	6
ESG Framework	8
TD’s Contribution to the Sustainable Development Goals (SDGs)	11
<b>External Context</b>	<b>12</b>
ESG Trends	14
How We Listen to Stakeholders	16
Our ESG Material Topics	17
What We Heard	18
ESG Scorecard and Goals	20

**Governance** +

**Environmental** +

**Social** +

- 2020 Awards and Recognition**
- 2020 Performance Data**
- SASB Index**
- GRI Index**
- Endnotes**
- Acronyms**
- Caution Regarding Forward-Looking Statements**

# ESG Trends

In 2020, we witnessed a rapid rise of interest in ESG topics, research and reports. Here is a summary of ESG trends and research that inform our thinking and approach.

## Investor interest in ESG continues to rise

In 2020, the value of assets using ESG to drive investment decisions is **\$40.5 trillion**, triple the value from 2012.<sup>4</sup>

The Canadian share of responsible investing assets grew to **\$3.2 trillion** in 2019 (up from \$2.1 trillion in 2017).<sup>5</sup>

The World Economic Forum (WEF)'s **Global Risks Report 2020** has listed **climate change risk** as the biggest long-term risk for the world; for the first time since 2006, environmental risks (such as extreme weather and climate action failure) comprise the top five risks listed in the WEF report.<sup>6</sup>



## COVID-19 has accelerated interest in ESG while also showcasing the resiliency of ESG

**Higher-rated ESG funds** performed better in the pandemic-induced downturn, highlighting the resiliency of sustainable investing.<sup>7</sup>

COVID-19 has spurred **engagement on ESG issues**;<sup>8</sup> over 70% of the institutional investors polled by J.P. Morgan stated that an event such as COVID-19 would increase awareness and lead to actions designed to combat climate change risks.<sup>9</sup>

COVID-19 has shone the spotlight on **social factors of ESG**, with institutional investors calling on companies to recognize and retain employees.<sup>10</sup>



## Increasing ESG interest has brought renewed focus from regulators

The Government of Canada introduced legislation, **Canadian Net-Zero Emissions Accountability Act**, to achieve a net-zero emissions future by 2050.

The **U.S. Federal Reserve Bank** has included **climate change as a risk** for the first time in its biannual financial stability report.<sup>11</sup>

The **Bank of Canada** and the **Office of the Superintendent of Financial Institutions** announced plans for a pilot project to use climate-change scenarios to assess financial system risks related to a low-carbon transition.<sup>12</sup>

The **Commodity Futures Trading Commission (CFTC)** subcommittee released a report to U.S. financial regulators with 53 recommendations to recognize and mitigate climate change risks, including a carbon tax, coordination with the private sector, a taxonomy and new regulations.<sup>13</sup>

## Introduction

Performance Summary for Investors	2
About This Report	3
A Message From Our CEO	4
About TD	6
ESG Framework	8
TD's Contribution to the Sustainable Development Goals (SDGs)	11
External Context	12
<b>ESG Trends</b>	<b>14</b>
How We Listen to Stakeholders	16
Our ESG Material Topics	17
What We Heard	18
ESG Scorecard and Goals	20

## Governance +

## Environmental +

## Social +

## 2020 Awards and Recognition

## 2020 Performance Data

## SASB Index

## GRI Index

## Endnotes

## Acronyms

## Caution Regarding Forward-Looking Statements



## The importance of ESG disclosure and the need for harmonization are also rising

BlackRock has called for “**more widespread and standardized adoption**” of the Task Force on Climate-related Financial Disclosures (TCFD) and SASB disclosures.<sup>14</sup>

Canada’s eight largest pension plans have issued a joint statement calling for companies to use consistent and enhanced ESG disclosures by reporting the data in a standardized fashion, namely by **adopting TCFD and SASB**.<sup>15</sup>

The Partnership for Carbon Accounting Financials launched the **first global standard to measure and report financed emissions**.<sup>16</sup>

The Big Four Accounting firms and the WEF launched a **new ESG reporting framework to help harmonize ESG metrics, specifying 21 core and 34 expanded metrics and disclosures**.<sup>17</sup>

The Ontario Securities Commission issued guidance in 2019 to remind issuers of their **obligation to disclose material climate change-related risks**.<sup>18</sup>

The five framework- and standard-setting organizations – CDP, the Climate Disclosure Standards Board, the GRI, the International Integrated Reporting Council and the SASB – issued a joint statement of intent **to work together to achieve a global comprehensive reporting system**.<sup>19</sup>



## More research/guidance is available to help understand the implications of climate risk to our economy

- + Financial Stability Board (FSB)’s The Implication of Climate Change for Financial Stability Report (2020)
- + CFTC’s Managing Climate Risk in the U.S. Financial System Report (2020)
- + UN Environment Programme (UNEP) Emissions Gap Report (2020)
- + Intergovernmental Panel on Climate Change Report (2018)
- + TCFD – Status Report (2020)
- + Final Report of the Expert Panel on Sustainable Finance (2019)
- + Bank of Canada’s Vulnerability Report (2019)
- + Canada’s Changing Climate Report (2019)
- + UN Principles for Responsible Banking

## Introduction

Performance Summary for Investors	2
About This Report	3
A Message From Our CEO	4
About TD	6
ESG Framework	8
TD’s Contribution to the Sustainable Development Goals (SDGs)	11
External Context	12
<b>ESG Trends</b>	<b>14</b>
How We Listen to Stakeholders	16
Our ESG Material Topics	17
What We Heard	18
ESG Scorecard and Goals	20

## Governance +

## Environmental +

## Social +

2020 Awards and Recognition

2020 Performance Data

SASB Index

GRI Index

Endnotes

Acronyms

Caution Regarding Forward-Looking Statements

# How We Listen to Stakeholders

Stakeholders	Ways We Interact	Key ESG Topics in 2020	
<b>Customers</b>	<ul style="list-style-type: none"> <li>Solicit feedback by phone, in person (focus groups and at home), email and online, including social media</li> <li>Formal process for handling complaints</li> <li>Consumer associations</li> </ul>	<ul style="list-style-type: none"> <li>Customer service</li> <li>Fee changes</li> <li>Processing delays</li> <li>Credit decisions</li> </ul>	<ul style="list-style-type: none"> <li>Product features or policies</li> <li>Possible fraud</li> <li>Impacts of COVID-19 on customers</li> </ul>
<b>Colleagues</b>	<ul style="list-style-type: none"> <li>Employee surveys and focus groups</li> <li>Executive leadership visits</li> <li>Intranet comment engine and online communities (Between Us)</li> <li>Employee Ombudsman (Between Us)</li> <li>Employee Assistance Program</li> <li>Conduct and Ethics Hotline</li> </ul>	<ul style="list-style-type: none"> <li>Improving work processes and tools</li> <li>Compensation and recognition</li> <li>Anti-Black racism and anti-Indigenous racism</li> </ul>	<ul style="list-style-type: none"> <li>Employee well-being and work/life balance during COVID-19</li> <li>Career development in a remote work environment</li> </ul>
<b>Shareholders and Investors</b>	<ul style="list-style-type: none"> <li>Annual meetings and quarterly earnings calls</li> <li>Shareholder proposals</li> <li>Shareholder Relations phone and email channels</li> <li>Regular meetings with investors</li> <li>Investor Relations website</li> <li>Industry conferences</li> </ul>	<ul style="list-style-type: none"> <li>Quarterly financial results</li> <li>Impact of COVID-19 on TD's customers</li> <li>Executive compensation matters</li> <li>Climate change, TCFD, calculating financed emissions and disclosing reduction targets</li> </ul>	<ul style="list-style-type: none"> <li>Pipeline expansion projects</li> <li>Social equity and diversity initiatives</li> <li>Cybersecurity and privacy</li> </ul>
<b>Governments</b>	<ul style="list-style-type: none"> <li>Government Relations teams for Canada and the U.S.</li> <li>Ongoing dialogue with regulators and policy-makers</li> </ul>	<ul style="list-style-type: none"> <li>Working with governments to help with post-pandemic economic recovery</li> <li>Working to expand on diversity and inclusion initiatives</li> </ul>	<ul style="list-style-type: none"> <li>Participating in government consultation on open banking</li> <li>Evolving data and privacy requirements</li> <li>Working to create greater financial literacy</li> </ul>
<b>Suppliers</b>	<ul style="list-style-type: none"> <li>Website for prospective suppliers</li> <li>Email responses to supplier questions</li> </ul>	<ul style="list-style-type: none"> <li>Third-party risk management</li> <li>Education for small and diverse-owned suppliers on doing business with large companies</li> </ul>	<ul style="list-style-type: none"> <li>Carbon emissions reporting from suppliers</li> <li>Focus on high-risk sourcing for environmental, social and ethical issues, including modern slavery and human trafficking</li> </ul>
<b>Industry Associations</b>	<ul style="list-style-type: none"> <li>Industry association memberships</li> <li>Memberships in various multi-stakeholder groups</li> <li>Participation in financial centre bodies</li> </ul>	<ul style="list-style-type: none"> <li>Meeting needs of customers and evolving customer expectations</li> <li>Coordination among authorities for more workable regulations</li> </ul>	<ul style="list-style-type: none"> <li>Oversight of unregulated and under-regulated market participants</li> </ul>
<b>Communities</b>	<ul style="list-style-type: none"> <li>Corporate Citizenship team</li> <li>Diversity and Inclusion team</li> <li>Indigenous Banking team</li> <li>Ongoing dialogue with community organizations</li> <li>The TD Ready Commitment Network</li> <li>TD Friends of the Environment</li> </ul>	<ul style="list-style-type: none"> <li>Deepening income inequality, disaster support and community resilience due to COVID-19</li> <li>Anti-Black racism</li> <li>Financial education</li> </ul>	<ul style="list-style-type: none"> <li>Reconciliation with Indigenous communities</li> <li>Priorities under the TD Ready Commitment</li> <li>Impact measurement and evaluation</li> </ul>
<b>Non-Governmental Organizations</b>	<ul style="list-style-type: none"> <li>Meetings, phone calls, face-to-face consultation</li> <li>Funding research projects</li> <li>Conferences and forums</li> <li>27 engagements</li> </ul>	<ul style="list-style-type: none"> <li>Impacts of COVID-19 on customers and communities</li> <li>Financing of fossil fuel energy developments</li> <li>Financing of Arctic oil exploration</li> </ul>	<ul style="list-style-type: none"> <li>Financing of the for-profit prison industry</li> <li>Human rights</li> <li>ESG reporting standards and frameworks</li> </ul>

## Introduction

Performance Summary for Investors	2
About This Report	3
A Message From Our CEO	4
About TD	6
ESG Framework	8
TD's Contribution to the Sustainable Development Goals (SDGs)	11
External Context	12
ESG Trends	14
<b>How We Listen to Stakeholders</b>	<b>16</b>
Our ESG Material Topics	17
What We Heard	18
ESG Scorecard and Goals	20

## Governance +

## Environmental +

## Social +

## 2020 Awards and Recognition

## 2020 Performance Data

## SASB Index

## GRI Index

## Endnotes

## Acronyms

## Caution Regarding Forward-Looking Statements

# Our ESG Material Topics

We define material ESG topics as those environmental, social and governance topics that have the greatest importance to our stakeholders as well as to the Bank. In 2020, we refreshed our materiality assessment to update and prioritize the topics that shape TD's ESG reporting. This report is structured around 12 material topics.

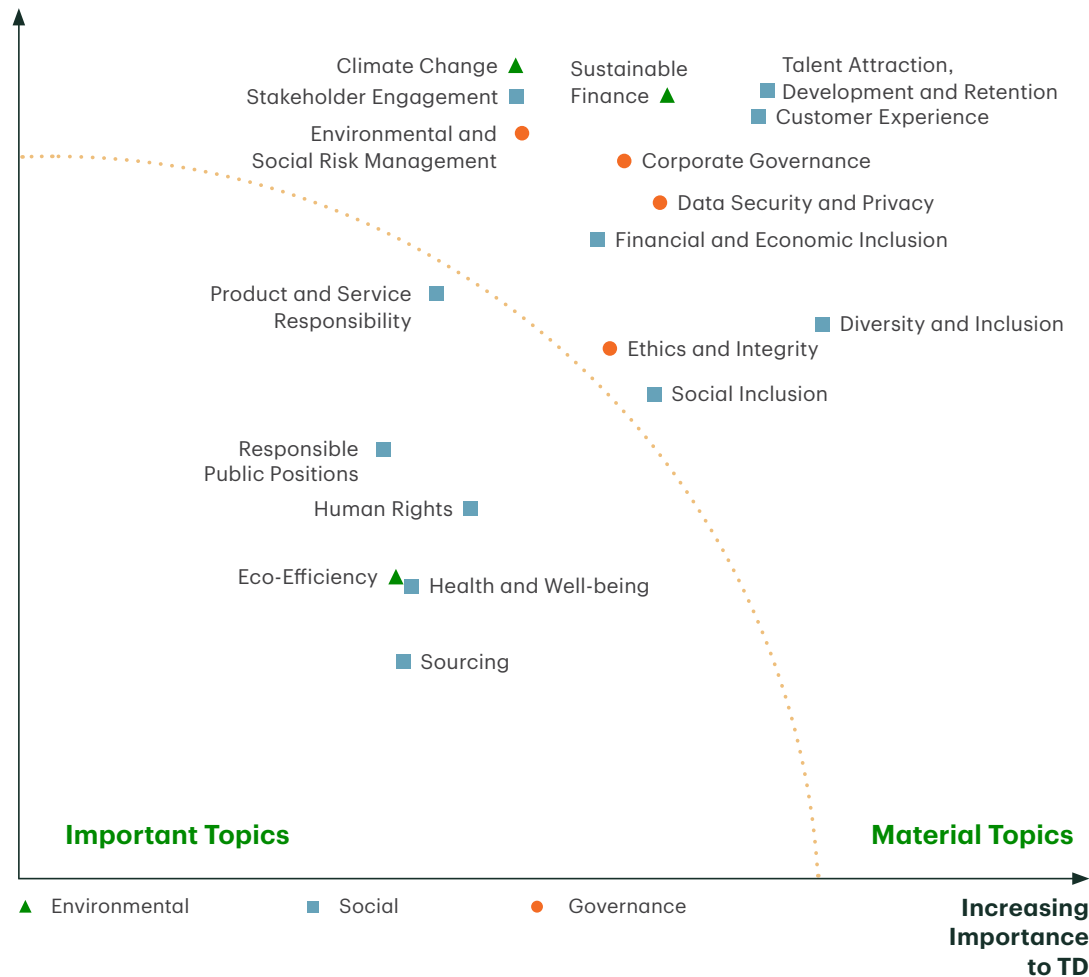
Our process involved four stages: research and benchmarking, impact mapping, stakeholder interviews and a validation workshop to discuss the assessment findings.

An independent third-party sustainability consultant, Environmental Resources Management, facilitated interviews with senior leaders from businesses across TD and external interviews with representatives from the following organizations to capture a range of stakeholder views:

- Caisse de dépôt et placement du Québec
- Moody's
- Desjardins
- Large global institutional investor
- Rainforest Action Network
- Global Risk Institute
- Institute of Corporate Directors
- Public Policy Forum
- Imagine Canada
- Housing and Community Development Network of New Jersey
- Ontario Black History Society
- National Urban League
- Citi
- Microsoft
- Pen Company of America
- Business for Social Responsibility
- UNEP Finance Initiative (UNEP FI)

## Relative Priority of Sustainability Topics

Increasing Importance to External Stakeholders



This matrix reflects our understanding of the importance of each topic to our stakeholders and to our business. The top ESG material topics have been grouped into three key themes of **environmental, social** and **governance** that drive the content, structure and scope of our reporting.

## Introduction

Performance Summary for Investors	2
About This Report	3
A Message From Our CEO	4
About TD	6
ESG Framework	8
TD's Contribution to the Sustainable Development Goals (SDGs)	11
External Context	12
ESG Trends	14
How We Listen to Stakeholders	16
<b>Our ESG Material Topics</b>	<b>17</b>
What We Heard	18
ESG Scorecard and Goals	20

## Governance +

## Environmental +

## Social +

### 2020 Awards and Recognition

### 2020 Performance Data

### SASB Index

### GRI Index

### Endnotes

### Acronyms

### Caution Regarding Forward-Looking Statements

# What We Heard

In the interviews with stakeholders listed on [page 17](#), stakeholders were asked to assess the importance of various ESG topics by the level of risk, opportunity and impact for TD. The following are the key themes that arose from the stakeholder interviews.

## Climate change-related risks and opportunities are an increasingly high-priority issue for all stakeholders

Stakeholders view the emphasis on TCFD and integration of climate-related risk and opportunity assessment within the Bank’s core business strategies and financing activities to be significant for TD. Investors and think tanks also believe TD and other companies need to work on assessment and disclosure of scope 3 inventories.<sup>20</sup>

“Climate change should be a priority for TD, especially given the perspective of future customers and young people. TD should stake a claim on this – it leaps off the page. The power of the C-suite and the brand can actually drive climate change solutions forward.”

Community Group/NGO

“The Bank is facing pressure on climate change. It’s coming through in greater proxy voting and reporting requirements, especially on the lending side. A lot of institutional investors are asking questions on environmental topics and looking at the carbon weight of portfolios.”

TD Corporate Leader



+ See [Climate Change on page 40](#)

## Sustainable finance presents an opportunity for TD to influence the type of businesses that will flourish

Stakeholders expect TD to wield the influence it holds on the economy with great care so that financial activities consider long-term impacts on society and the environment, drive sustainable development and adequately account for environmental and social risks.

“Going forward, it’s clear investors and other clients want to feel like their bank is being sustainable alongside them. This means questioning the types of companies that banks are financing. Clients are issuing surveys to banks asking these questions. In the future, they will be more focused on how banks are helping the most carbon-intensive sectors transition.”

Peer



+ See [Sustainable Finance on page 43](#)

## Introduction

- Performance Summary for Investors 2
- About This Report 3
- A Message From Our CEO 4
- About TD 6
- ESG Framework 8
- TD’s Contribution to the Sustainable Development Goals (SDGs) 11
- External Context 12
- ESG Trends 14
- How We Listen to Stakeholders 16
- Our ESG Material Topics 17
- What We Heard 18**
- ESG Scorecard and Goals 20

## Governance +

## Environmental +

## Social +

### 2020 Awards and Recognition

### 2020 Performance Data

### SASB Index

### GRI Index

### Endnotes

### Acronyms

### Caution Regarding Forward-Looking Statements

**Social and economic unrest, especially the economic fallout of COVID-19, is intensifying economic inequality**

Stakeholders expect TD to help reduce income inequality by helping to create positive direct and indirect value for all segments of society. This includes helping to address financial literacy, engaging with regulators and industry peers to develop collaborative solutions and bringing inclusive products and services to the market.

*“The issue of income inequality is accelerating in TD’s footprint. Other than climate change, this could probably cause the most unrest in society. The Bank needs to focus on education efforts, helping to ensure access to information and working on social factors that can help break down income inequality.”*

TD Corporate Leader



+ See [Financial and Economic Inclusion and Social Inclusion](#) on [page 53](#) and [page 58](#)

**Workforce resilience is necessary for TD to continue delivering its exceptional customer experience**

All stakeholders – internal and external – view talent recruitment, development and retention as critical. The nature of work has been changing even prior to COVID-19, and TD must adapt to the pace of change and work to enable all employees to keep learning and developing in a digital world.

*“We are very concerned with how companies are managing human capital in a COVID world. We would like to know how the bank is working with employees, preparing them for digitalization of the company. There will be a lot of people who won’t be able to work anymore as a result of the low-carbon energy transition and digitalization. What are banks going to do about that?”*

Investor/Analyst



+ See [Talent Attraction, Development and Retention](#) on [page 71](#)

**Introduction**

Performance Summary for Investors	2
About This Report	3
A Message From Our CEO	4
About TD	6
ESG Framework	8
TD’s Contribution to the Sustainable Development Goals (SDGs)	11
External Context	12
ESG Trends	14
How We Listen to Stakeholders	16
Our ESG Material Topics	17
<b>What We Heard</b>	<b>18</b>
ESG Scorecard and Goals	20

**Governance +**

**Environmental +**

**Social +**

2020 Awards and Recognition

2020 Performance Data

SASB Index

GRI Index

Endnotes

Acronyms

Caution Regarding Forward-Looking Statements

# ESG Scorecard and Goals

Objective		2021 Target	2020 Results	2019
<b>Governance</b>				
Be diverse and inclusive	Women on Board	At least 30% of independent Directors	<b>42%</b>	36%
	Percentage of directors that voluntarily self-identified as a visible minority, a person of Indigenous or Aboriginal heritage, LGBTQ2+ or a person with a disability		<b>31%</b>	n/a
Foster responsible conduct and compliance	Percentage of eligible employees who completed the Code of Conduct and Ethics training <sup>2</sup>		<b>100%</b>	100%
	Number of significant monetary fines or significant non-monetary sanctions for non-compliance with laws and regulations <sup>3</sup>		<b>2<sup>4,5</sup></b>	1 <sup>6</sup>
<b>Environmental</b>				
Support the transition to a low-carbon economy	TD's contribution to low-carbon lending, financing, asset management and internal corporate programs by 2030 (in billions)	\$100 by 2030	<b>Over \$56</b> (2017-20)	Over \$43 (2017-19)
Manage climate-related risk	Carbon-related assets relative to total assets <sup>7</sup>		<b>2.3%</b>	2.7%
Embed the environment into our financing decisions	Non-retail credit transactions reviewed according to TD's E&S Credit Risk Management process, which includes the Equator Principles (EP) <sup>8</sup>	100%	<b>100%</b>	100%
Develop the Green, Social and Sustainability (GSS) bond market	GSS bond underwriting led by TD Securities (in billions) <sup>9</sup>		<b>\$13.9</b>	\$11.7
Reduce our environmental footprint	Be carbon neutral	Be carbon neutral	<b>Yes</b>	Yes
	Zero increase in scope 1 and scope 2 GHG emissions (relative to 2015 baseline) <sup>10</sup>	Zero increase vs. 2015 baseline	<b>32%* reduction</b> in scope 1 and 2 GHG emissions relative to 2015 baseline	21% reduction vs. 2015 baseline

<sup>1</sup> Percentage of Directors that, in December 2020 and January 2021, voluntarily self-identified as a visible minority, a person of Indigenous or Aboriginal heritage, LGBTQ2+ or a person with a disability. "Visible minority" is defined as non-Caucasian in race or non-white in colour, other than a person of Indigenous or Aboriginal heritage. "Indigenous or Aboriginal heritage" is defined as First Nations, Inuit, Metis, American Indian, Alaska Native, Native Hawaiian or other. "LGBTQ2+ member" is defined as a member of the lesbian, gay, bisexual, transgender, queer, two-spirit, plus community. "Person with a disability" is defined as a person having a long-term or recurring visible or invisible physical, mental, sensory, psychiatric or learning impairment, including impairment from or related to hearing, seeing, vocal, mobility, agility, pain, neurological, memory, developmental, psychological or addiction.

<sup>2</sup> Completion rates for Code of Conduct and Ethics training are based on the applicable definitions of eligible and exempt employees pursuant to our internal policies.

<sup>3</sup> For reporting purposes, we determine a significant legal action to potentially exceed \$25 million in damages and/or legal costs, a significant fine to be \$1 million or over and related to incidents that are of a regulatory nature (penalties of an administrative nature are not considered significant) and a significant non-monetary sanction to be material and related to incidents that are of a regulatory nature.

<sup>4</sup> In 2020, TD Bank, N.A. ("TDBNA") entered into a Consent Order with the U.S. Consumer Financial Protection Bureau with respect to certain of TDBNA's enrollment practices for its optional Debit Card Advance and certain of its reporting practices in relation to specialty consumer reporting agencies, and paid a civil money penalty in the amount of US\$25,000,000. TD Bank did not admit to any wrongdoing under the Civil Settlement Agreement.

<sup>5</sup> In 2020, TD Waterhouse Canada Inc. was fined \$4,000,000 by the Investment Industry Regulatory Organization of Canada (IIROC), a self-regulatory organization which oversees investment dealers and trading activity on debt and equity marketplaces in Canada, for failing to include position cost information within the quarterly account statement for certain securities positions, contrary to IIROC requirements.

<sup>6</sup> Security National Insurance Company entered into a settlement agreement with and paid an administrative monetary penalty of \$1,400,000 to the Financial Services Commission of Ontario in connection with automobile insurance rating errors.

<sup>7</sup> The year-over-year decrease can be largely attributed to an increase in TD's exposure to the Government, public sector entities and the education sector in 2020. More information on carbon-related assets can be found on [page 42](#) of this report.

<sup>8</sup> More information on the EP can be found on [page 25](#) of this report.

<sup>9</sup> Reflects the apportioned-value of lead managed green, social and sustainability bond underwriting by TD.

<sup>10</sup> Scope 1 GHG emissions include direct emissions from heating and cooling, leased aircraft and corporate fleet. Scope 2 GHG emissions include indirect emissions from electricity, heating and cooling. The 2020 results may have been impacted due to the COVID-19 pandemic as many employees moved to remote work settings.

\* Corrected on July 28, 2021. We erroneously reported TD's scope 1 and 2 emissions reduction relative to our 2015 baseline as 41% on March 5, 2021. The actual reduction was 32%.

## Introduction

Performance Summary for Investors	2
About This Report	3
A Message From Our CEO	4
About TD	6
ESG Framework	8
TD's Contribution to the Sustainable Development Goals (SDGs)	11
External Context	12
ESG Trends	14
How We Listen to Stakeholders	16
Our ESG Material Topics	17
What We Heard	18
<b>ESG Scorecard and Goals</b>	<b>20</b>

## Governance +

## Environmental +

## Social +

## 2020 Awards and Recognition

## 2020 Performance Data

## SASB Index

## GRI Index

## Endnotes

## Acronyms

## Caution Regarding Forward-Looking Statements

Objective		2021 Target	2020 Results	2019
<b>Social</b>				
<b>Financial and Economic Inclusion</b>				
Increase financial literacy	Number of participants in a TD-sponsored financial education program	500,000	<b>463,700<sup>11</sup></b>	633,500 <sup>12</sup>
	Number of TD MySpend registered users (in millions) <sup>13</sup>		<b>2.7</b>	2.1
Create value in the economy	Economic value distributed (in billions) <sup>14</sup>		<b>\$24.3</b>	\$25.3
<b>Social Inclusion</b>				
Give financial support to create change	Total donations (%)	At or above 1 <sup>15</sup>	<b>1.16%<sup>16</sup></b>	1.17 <sup>17</sup>
	Total donations per year (in millions)	\$1 billion in total by 2030	<b>Over \$130</b>	\$126
	Total cumulative donations (in millions)		<b>\$256</b> (2019-20)	\$126
Encourage volunteerism in our communities	Hours volunteered by TD employees	Increase year over year <sup>18</sup>	<b>80,000+</b>	166,000+
<b>Customer Experience</b>				
Deliver legendary customer service	Legendary Experience Index (LEI) – TD Composite Score	67.1	<b>✓ 67.57<sup>19</sup></b>	<b>✓ 67.79</b>
Work to resolve customer complaints efficiently	Percentage of complaints resolved by the TD Ombudsman <sup>20</sup> within 90 days (Canada)	90%	<b>96%</b>	99%
	Percentage of escalated customer complaints resolved by the Chairman's Service Center within designated service-level agreements (U.S.)	95%	<b>97%</b>	97%
Digital innovation	Active online and mobile customers (in millions)		<b>14.5</b>	13.4

<sup>11</sup> In 2020, many of the organizations that TD worked with and supported cancelled in-person activities and pivoted to alternative forms of program delivery. This meant that many organizations were unable to reach a similar number of beneficiaries as they had in previous years of their initiative(s). In part, this resulted in TD missing its target for number of people reached by financial education activities in 2020.

<sup>12</sup> This total includes both partial and full contributions to programs from TD. EY provided assurance over two components of this indicator, including the Canadian contribution of 484,168 and the US TD Charitable Foundation contribution of 50,373. **✓**

<sup>13</sup> Refer to [page 65](#) of this report for more information on TD MySpend.

<sup>14</sup> Economic value distributed as defined by the [Global Reporting Initiative disclosure GRI 201-1](#). Refer to [page 57](#) of this report for more details.

<sup>15</sup> The 1% giving target follows the North American scope of TD's corporate citizenship strategy.

<sup>16</sup> Pre-tax contribution to community represents a combined view of the figures for Canada and the U.S., with the Canadian figure based on contributions as a % of NIBT across businesses within the Canadian geography, and the U.S. figure based on contributions as a % of NIBT for the U.S. retail segment.

<sup>17</sup> Pre-tax contribution to community giving for North America has been restated for 2019 due to methodology changes.

<sup>18</sup> Refer to [page 60](#) of this report for information on TD's performance compared to its volunteering target.

<sup>19</sup> Refer to [page 63](#) of this report for information on TD's performance compared to its LEI target.

<sup>20</sup> TD Office of the Ombudsman data includes Personal Banking, Business Banking, Fraud, Insurance and Wealth business lines (Canada).

## Introduction

Performance Summary for Investors	2
About This Report	3
A Message From Our CEO	4
About TD	6
ESG Framework	8
TD's Contribution to the Sustainable Development Goals (SDGs)	11
External Context	12
ESG Trends	14
How We Listen to Stakeholders	16
Our ESG Material Topics	17
What We Heard	18
<b>ESG Scorecard and Goals</b>	<b>20</b>

## Governance +

## Environmental +

## Social +

### 2020 Awards and Recognition

### 2020 Performance Data

### SASB Index

### GRI Index

### Endnotes

### Acronyms

### Caution Regarding Forward-Looking Statements

Objective		2021 Target	2020 Results	2019
<b>Social</b>				
<b>Diversity and Inclusion</b>				
<b>Be diverse and inclusive and reflect the communities we serve</b>	Overall women (global)		✓ 57.0%	✓ 56.9%
	Women in senior management (global) <sup>21</sup>		✓ 38.4%	✓ 36.8%
	Visible minorities in senior management (% in Canada) <sup>21</sup>		✓ 19.6%	✓ 17.6%
	People with disabilities (% in Canada)		✓ 8.0%	✓ 7.8%
	Indigenous Peoples (% in Canada)		✓ 1.5%	✓ 1.5%
	Women in Technology		34%	— <sup>22</sup>
<b>Talent Attraction, Development and Retention</b>				
<b>Attract and retain a diverse and inclusive workforce</b>	% women promoted (in Canada) <sup>23</sup>		53.5%	56.7%
	% positions filled within TD (Canada and the U.S.)		53.8%	49.1%
<b>Support employees on their career journeys</b>	Investment in training (in millions)		\$72.1 <sup>24</sup>	\$85.9
	Average number of days in training <sup>25</sup>		5.3 <sup>26</sup>	7.2
<b>Provide a great place to work</b>	Employee Engagement Index		✓ 85%	✓ 84%
	Average global turnover		✓ 14.5%	✓ 18.5%
<b>Health and Well-being</b>				
<b>Foster workplace health and safety</b>	Absentee rate <sup>27</sup>		2.61%	1.98%

<sup>21</sup> Senior Management includes Vice President level and above (in the U.S. this includes titled Vice Presidents and above only).

<sup>22</sup> The first year this data was collected was fiscal year 2020.

<sup>23</sup> Figure represents the percentage of promotions earned by women in Canada.

<sup>24</sup> Investment in training may not capture all project or program costs incurred by the business, including business transformation projects where learning-related costs are captured through a separate system. Despite the overall decrease in 2019, there has been increased investment in Core Corporate Learning and Development, TD Thrive, Technology Solutions and Finance and TD Securities.

<sup>25</sup> An average day is considered 8 hours for U.S. employees and 7.5 for all other employees.

<sup>26</sup> Limited in-person classes were held due to the COVID-19 pandemic which resulted in less all day sessions in fiscal year 2020.

<sup>27</sup> Represents the number of, or our calculated estimate of the number of, sick days taken due to minor illnesses or workplace injury, and personal days taken, as reported in our online time reporting system divided by average full-time equivalent (FTE). Weighted average is applied to the constituent businesses to attain a combined rate for North America. Due to limitations on available data, in some cases, estimates have been used and therefore the actual absentee rate may differ.

## Introduction

Performance Summary for Investors	2
About This Report	3
A Message From Our CEO	4
About TD	6
ESG Framework	8
TD's Contribution to the Sustainable Development Goals (SDGs)	11
External Context	12
ESG Trends	14
How We Listen to Stakeholders	16
Our ESG Material Topics	17
What We Heard	18
<b>ESG Scorecard and Goals</b>	<b>20</b>

## Governance +

## Environmental +

## Social +

### 2020 Awards and Recognition

### 2020 Performance Data

### SASB Index

### GRI Index

### Endnotes

### Acronyms

### Caution Regarding Forward-Looking Statements





# Governance



**Introduction** +

**Governance**

Risk Management	24
Corporate Governance and Integrity	26
Tax	33
Human Rights	34
Data Security and Privacy	35

**Environmental** +

**Social** +

<b>2020 Awards and Recognition</b>
<b>2020 Performance Data</b>
<b>SASB Index</b>
<b>GRI Index</b>
<b>Endnotes</b>
<b>Acronyms</b>
<b>Caution Regarding Forward-Looking Statements</b>

# Risk Management

## Why it matters to TD

Everyone at TD has a role to play in risk management. It's essential that we play our part to protect our business and stakeholders 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, modern-day risks such as climate change and cybersecurity threats, and unpredictable events such as widespread social unrest and global pandemics.

## Analyst Corner

Annual Report: Managing Risk ([pages 80–83](#))

Proxy Circular: Update from the Risk Committee ([page 105](#))



## Our Approach

TD executives, Directors and employees look to both our Enterprise Risk Framework (ERF) 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's Risk Appetite Statement

The Bank takes risks required to build its business, but only if those risks:

- Fit our business strategy and can be understood and managed
- Do not expose the enterprise to any significant single-loss events; TD does not "bet the bank" on any single acquisition, business or product
- Do not risk harming the TD brand

### Environmental and Social Risk

Environmental and social risk is the potential for loss of strategic, financial, operational, legal or reputational value resulting from the impact of environmental and social issues or concerns, including climate change, within the scope of short-term and long-term cycles. The Bank is exposed to environmental and social risks both through its businesses and operations and through its clients and customers. Environmental and social risks may lead to potential losses, resulting from the Bank's direct and indirect impact on the environment and society and the impact of environmental and social issues on the Bank.

**Direct risks** are associated with the ownership and operation of the Bank's businesses, which include management and operation of company-owned or managed real estate, business operations and associated services. Acute physical climate risks driven by the increased severity of extreme weather events such as hurricanes, wildfires and floods could result in operational risks for the Bank through business disruptions and financial losses.

The Bank's **enterprise-wide Business Continuity and Crisis Management Program** supports management's ability to operate the Bank's businesses and operations in the event of a business disruption incident. Indirect risks are associated with environmental and societal issues, perceptions and developments that may have an impact on the Bank's customers and clients to whom the Bank provides financial services or in which the Bank invests. Climate change and events such as pandemics and social unrest could result in strategic and credit risks for the Bank by impacting its customers' earnings and losses, and the Bank's action or inaction, response and disclosure on these matters can also give rise to legal and reputational risks for the Bank.

Environmental and social risks are managed under the Bank's **Environmental and Social Risk Framework** and through related business-segment-level policies and procedures across the enterprise. Additionally, emerging social risks are managed through governance forums, including Reputational Risk Committees. In 2020, the Bank introduced a qualitative risk appetite statement and measure for environmental and social risks, which further support and align with the Environmental and Social Risk Framework and the associated risk management and governance activities.

### Performance in 2020

- **Environmental and social risk (including climate change) remains a top and emerging risk for the Bank in 2020:** Climate risk has emerged as one of the top environmental risks for the Bank. This includes physical risks related to the chronic and acute physical impacts of climate change and transition risks associated with the global transition to a low-carbon economy. Both physical and transition risks could result in strategic, credit, operational, legal and reputational risks for the Bank and its clients in climate-sensitive sectors. We continue to monitor industry and

## Introduction +

## Governance +

### Risk Management 24

Corporate Governance and Integrity 26

Tax 33

Human Rights 34

Data Security and Privacy 35

## Environmental +

## Social +

### 2020 Awards and Recognition

### 2020 Performance Data

### SASB Index

### GRI Index

### Endnotes

### Acronyms

### Caution Regarding Forward-Looking Statements

regulatory developments and assess the potential impacts of climate change and related risks on the Bank's operations, lending portfolios, investments and businesses. The Bank is developing standardized methodologies and approaches for climate scenario analysis through participation in industry-wide working groups and is working to embed the assessment of climate-related risks and opportunities into relevant Bank processes.

- **Governance:** E&S risks are rapidly evolving, and TD acknowledges that it is responsible for identifying and managing adverse E&S risks and impacts. To keep pace with this rapidly evolving area, TD enhanced its governance of E&S risks through the formalization of its **E&S Risk Management function** under Operational Risk Management. An enterprise E&S Risk Framework has been developed and implemented that sets foundational guidance and defines key pillars of activities for managing E&S risks. The E&S Risk Framework outlines the balance of central oversight and risk management with clear business-segment accountabilities in managing E&S risks.

The business segments ultimately are responsible for the risks within their respective portfolios and responsible for monitoring performance according to and compliance with centrally controlled and/or business-specific E&S policies. The E&S Risk Management group has **E&S risk oversight accountabilities**, including establishing risk policies, processes and governance to identify, assess, control, monitor and report on E&S risks, including climate-related risks. The Bank's E&S Risk Framework and risk management approach are aligned with TD's ERF and Enterprise Risk Appetite Statement, which includes an E&S risk principle and measure. TD's various business-specific and enterprise risk committees are also involved in monitoring material risks and acting as governance bodies for the escalation of material environmental and social risk issues.

- **Equator Principles:** The EP are a voluntary set of minimum due diligence standards to help financial institutions determine, assess, manage and report on E&S risks with respect to projects that are in the scope of the EP. The Bank uses a **comprehensive set of tools and guidance documents** to identify and categorize Equator Principles deals appropriately. TD has been a **signatory to the EP since 2007**, and we are committed to implementing the new EP4 guidance, which became effective October 1, 2020. Project loans assessed as being within the scope are evaluated against the EP and categorized as A, B or C projects according to the magnitude of potential environmental or social impacts.

For projects in **non-Organisation for Economic Co-operation and Development (OECD) countries**, projects are assessed according to comprehensive International Finance Corporation (IFC) Performance Standards and sector-specific environmental, health and safety guidelines. In **OECD countries**, TD will evaluate if one or more of the IFC Performance Standards could be used to manage specific risks in addition to host country laws. This EP due diligence review is embedded in TD's broader E&S risk evaluation procedures. The E&S risk management team provides advice and guidance to TD's business units in reviewing the application of the EP framework to project loans, and the Bank reports annually on projects assessed according to the EP.<sup>21</sup>

- **E&S risk enhancement:** We continue to build our capabilities and enhance tools to support consistent identification and assessment of E&S risks in new and evolving business initiatives and financing activities. In 2020, we launched new E&S Risk Assessment and Borrower Climate Change tools. These are designed to provide a consistent and standardized approach to assessing E&S risks at the borrower and transaction level across the Bank's non-retail credit portfolios in TD Securities and Canadian and U.S. Commercial Banking.

The **E&S Risk Assessment tool** assesses the potential negative consequences to the natural environment or community from a borrower's operations and/or the use of the proceeds from a lending transaction and also identifies borrowers and transactions that require enhanced due diligence and escalation to E&S Risk Management. The **Borrower Climate Change tool** assists TD in assessing a borrower's susceptibility to physical risks and/or transition risks associated with climate change. TD intends to continue enhancing these tools to capture changing regulatory requirements, voluntary commitments and guidance for implementation, including any for the new EP4.

As the Bank's E&S risk control activities advance, the metrics and targets used to monitor success will also evolve, and TD will continue to develop appropriate metrics that can be adopted consistently across the Bank to provide comparable, decision-useful information to its customers and clients.

- **Task Force on Climate-related Financial Disclosures:** TD is a supporter of the Financial Stability Board's TCFD recommendations<sup>22</sup> and is participating in the **UNEP FI TCFD pilot studies** to better understand the resilience of its credit, investment and insurance portfolios to climate-related impacts. Results of the studies will help inform methodologies for assessing both physical and transition risks and opportunities under various climate scenarios that are relevant to our industry.

In 2018, TD became the **only financial institution** to be engaged in all three of the UNEP FI TCFD pilot projects across all three financial business lines, including lending, asset management and insurance, and we have continued to be part of Phase 2 of the banking pilot. We see value in actively participating during this critical time when the methodologies that guide how to assess climate risk in our industry are beginning to be established. In support of the UNEP FI initiative, we convened an internal, cross-functional team to test the methodologies being developed to assess climate risk at the enterprise level and to provide feedback on the methodology to assist in its refinement. TD released its **2020 TCFD report** detailing how we have embedded assessment and disclosure of climate-related financial risks and opportunities into our governance, processes and reporting.

- **Climate scenario analysis advancement:** Scenario analysis has been identified as a key tool in assessing forward-looking implications of climate change that are without historical precedent. Aligned with the TCFD recommendations and our participation in industry pilot studies, TD has convened a **working group to address climate-related scenario analysis and build related tools and capabilities for quantitative measurement**.

Multiple iterations are expected, and work will assist in developing and informing risk assessments and key risk indicators. TD will **participate in a pilot project** with the Bank of Canada and the Office of the Superintendent of Financial Institutions to use climate-change scenarios to better understand the risks to the financial system related to a transition to a low-carbon economy.

## Introduction +

## Governance

### Risk Management 24

Corporate Governance and Integrity 26

Tax 33

Human Rights 34

Data Security and Privacy 35

## Environmental +

## Social +

### 2020 Awards and Recognition

### 2020 Performance Data

### SASB Index

### GRI Index

### Endnotes

### Acronyms

### Caution Regarding Forward-Looking Statements

# Corporate Governance and Integrity

## Why it matters to TD

TD’s Board of Directors is elected by TD’s shareholders to oversee the management of the Bank and to assure the long-term interests of shareholders are advanced responsibly, while addressing the concerns of other relevant stakeholders.



## Analyst Corner

Corporate Governance and Integrity Data ([page 79](#))

2021 Proxy Circular

Code of Conduct and Ethics for Employees and Directors

Conduct and Ethics Hotline

Proxy Access Policy

TD Bank Statement on Anti-Money Laundering (AML)/Anti-Terrorist Financing (ATF)/Sanctions

Statement on Anti-Corruption

2020 Public Policy and Political Contributions



## Our 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 so that we are focused on our responsibilities to shareholders and other relevant stakeholders and on creating long-term shareholder value. The Bank is committed to proactive, open and responsive communications with shareholders, other interested parties and the public. The Bank recognizes the importance of the engagement of Directors with shareholders on areas core to the Board’s mandate. We have an independent Chair 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

TD hosted its Annual Meeting of Shareholders (AMS) virtually in 2020 as part of its efforts to help contain the spread of COVID-19. Almost 600 attendees logged into TD’s virtual AMS webcast. By offering an audio webcast that enabled shareholders to submit their questions online, TD was able to prioritize and support the well-being of shareholders and employees, while still allowing shareholders to engage with the Board and exercise their rights at the meeting.

Our 2021 Management Proxy Circular provides an overview of TD’s corporate governance structure, policies and practices and describes the core principles that guide our approach to governance.

## Introduction +

## Governance

Risk Management	24
<b>Corporate Governance and Integrity</b>	<b>26</b>
Tax	33
Human Rights	34
Data Security and Privacy	35

## Environmental +

## Social +

## 2020 Awards and Recognition

## 2020 Performance Data

## SASB Index

## GRI Index

## Endnotes

## Acronyms

## Caution Regarding Forward-Looking Statements

## Performance in 2020

### 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.

<b>Enterprise Conduct Risk Management (ECRM)</b>	<ul style="list-style-type: none"> <li>• Conduct risk is embedded into the Legal, Regulatory, Compliance and Conduct Risk Framework.</li> <li>• ECRM provides guidance through policy and guidelines and, in collaboration with key partners, oversees employee conduct risk that may arise from the failure to comply with laws, regulatory rules and standards or with the TD Code of Conduct and Ethics. It includes, but is not limited to, risk to the consumer, risk to market integrity and internal misconduct risk to the Bank.</li> <li>• Conduct Risk Management collaborates with partners to collect, analyze and review enterprise data to provide quarterly reporting to the Enterprise Risk Management Committee and the Board. The reporting includes insights related to conduct risk metrics, including complaints and concerns raised through various channels.</li> <li>• A flexible and adaptable integrated conduct risk program builds on existing oversight programs to facilitate the mitigation of conduct risk within the Bank.</li> <li>• Conduct Risk Management strengthens our compliance with TD's Shared Commitments and provides a framework for our senior management and the Board to oversee conduct risk.</li> </ul>
<b>Code of Conduct and Ethics</b>	<ul style="list-style-type: none"> <li>• This framework establishes the standards that govern the way employees interact with each other, customers, shareholders, governments, regulators, competitors, the media and the public at large.</li> <li>• It outlines TD's commitment to providing an accessible, safe and respectful work environment that is free from harassment, discrimination or violence.</li> <li>• It clearly states that irregular business conduct will not be tolerated.</li> <li>• The Code applies to all employees and Directors.</li> <li>• It requires annual scenario-based training and attestation to ongoing compliance.</li> <li>• The Corporate Governance Committee (CGC) of the Board receives a report to confirm that 100% of eligible employees have attested to and completed training.</li> </ul>
<b>Anti-Discrimination Policy</b>	<ul style="list-style-type: none"> <li>• This policy was established to prevent occurrences of violence, discrimination or harassment in the workplace by raising awareness, sharing prevention strategies and identifying when action is required and what actions to take to maintain an inclusive work environment.</li> <li>• It confirms that TD prohibits and will not tolerate, ignore or condone any form of violence, discrimination or harassment.</li> <li>• The policy applies to all employees, Directors and third-party workers globally.</li> <li>• Every employee, Director and third-party worker is responsible for maintaining a positive work environment by treating all other individuals in the workplace with dignity and respect. If they experience, witness or have been told about a potential incident of violence, discrimination, or harassment, they must immediately report it.</li> <li>• Any employee, Director, third-party worker, customer or member of the public may report an incident of violence, discrimination or harassment to TD without threat or fear of reprisal.</li> <li>• TD trains managers so they can maintain and be accountable for a workplace that is free of violence, discrimination or harassment.</li> <li>• Appropriate support is available to employees and Directors who may have been affected by violence, discrimination or harassment.</li> </ul>

## Introduction +

### Governance

Risk Management	24
<b>Corporate Governance and Integrity</b>	<b>26</b>
Tax	33
Human Rights	34
Data Security and Privacy	35

## Environmental +

## Social +

### 2020 Awards and Recognition

### 2020 Performance Data

### SASB Index

### GRI Index

### Endnotes

### Acronyms

### Caution Regarding Forward-Looking Statements

<b>Conduct and Ethics Hotline</b>	<ul style="list-style-type: none"> <li>This provides a confidential and anonymous reporting channel<sup>23</sup> to employees, customers, third-party workers and members of the public to report their concerns regarding TD without fear of retaliation; they can also report allegations of retaliation for having reported matters in good faith.</li> <li>It is hosted by a third party and independently managed within TD.</li> </ul>
<b>Between Us: Employee Ombudsman Office</b>	<ul style="list-style-type: none"> <li>It offers confidential, impartial and informal guidance on work-related concerns to all employees and reviews possible options for resolution.</li> <li>Over 900 employees accessed support and advice through this program in 2020.</li> </ul>
<b>Statement on Public Policy and Political Contributions</b>	<ul style="list-style-type: none"> <li>TD is committed to being transparent about our public policy interactions and political contributions.</li> <li>TD is committed to complying with all applicable reporting requirements related to its interactions with government officials and with all other laws, rules and regulations that govern such interactions.</li> <li>TD donated to both governing and official opposition parties in the Canadian provinces that allow corporate donations; contributions in 2020 were low.</li> <li>In the U.S., TD Bank has a federal political action committee that allows eligible interested employees to make voluntary personal donations to candidates for federal office who support a strong financial services sector and sound economic policies; in 2020, US\$117,500 was donated to 35 candidates in both political parties.</li> <li>There were no political contributions in other international jurisdictions.</li> <li>TD is a member of various industry associations that may have interactions with government officials on matters related to the financial services industry.</li> </ul>
<b>Anti-Money Laundering and Anti-Terrorist Financing Sanctions and Anti-Bribery/ Anti-Corruption (ABAC)</b>	<ul style="list-style-type: none"> <li>This framework of policies and procedures is designed to: <ul style="list-style-type: none"> <li>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 in each of the jurisdictions in which it operates</li> <li>Comply with economic and trade sanctions laws and regulations</li> <li>Provide principles of conduct to detect and deter bribery and corruption activities</li> </ul> </li> <li>All newly hired employees are required to complete mandatory AML/ATF, sanctions and ABAC training.</li> <li>All existing employees are required to 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.</li> </ul>

**Introduction** +

**Governance**

Risk Management 24

**Corporate Governance and Integrity** **26**

Tax 33

Human Rights 34

Data Security and Privacy 35

**Environmental** +

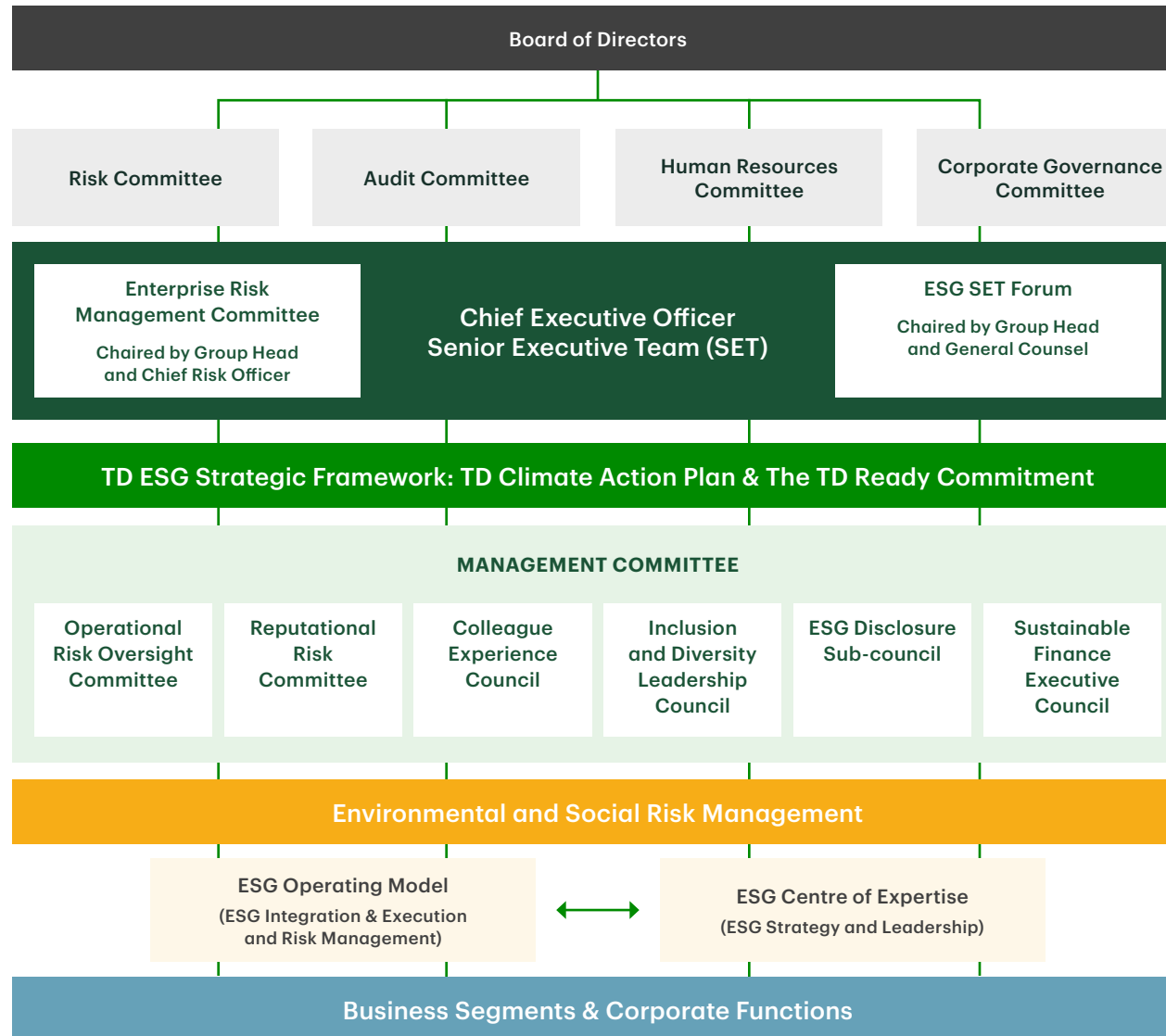
**Social** +

**2020 Awards and Recognition**
**2020 Performance Data**
**SASB Index**
**GRI Index**
**Endnotes**
**Acronyms**
**Caution Regarding Forward-Looking Statements**

### Engaging on Environmental and Social Matters

Corporate citizenship, ESG and mitigation of E&S risks are key parts of TD's overall business strategy to be a purpose-driven organization and are managed within a governance structure that balances broad engagement across the organization while also providing line-of-sight accountability.

#### ESG Governance: Managing ESG Risk and Opportunity



### Introduction +

### Governance

Risk Management	24
<b>Corporate Governance and Integrity</b>	<b>26</b>
Tax	33
Human Rights	34
Data Security and Privacy	35

### Environmental +

### Social +

- 2020 Awards and Recognition
- 2020 Performance Data
- SASB Index
- GRI Index
- Endnotes
- Acronyms
- Caution Regarding Forward-Looking Statements

Summary of Responsibilities	2020 ESG Engagement
<p><b>Board of Directors</b></p> <ul style="list-style-type: none"> <li>Approves TD’s strategy and business objectives and oversees the implementation, execution and monitoring of performance, including with respect to TD’s corporate citizenship and E&amp;S strategy and objectives</li> <li>Approves TD’s Risk Appetite Statement and related measures, including E&amp;S risks</li> <li>Oversees TD’s risk culture and the identification and monitoring of top and emerging risks affecting TD and satisfies itself as to the effective management of those risks in accordance with TD’s Risk Appetite Statement and ERF, including E&amp;S risk</li> <li>Sets the tone for, and oversees the establishment of, TD’s culture of integrity and compliance through its Code of Conduct and Ethics, Culture Framework and Conduct Risk Management Policy</li> </ul> <p><b>+</b> For further information, refer to TD’s Board Charter.</p>	<ul style="list-style-type: none"> <li>Overview of TD’s ESG Framework, Strategy and Priorities, including the evolving landscape</li> <li>Regular reviews of TD’s enterprise Risk Dashboard, including E&amp;S risk (a Top Risk)</li> <li>Approved TD’s Slavery and Human Trafficking Statement</li> <li>Updates on TD’s Inclusion &amp; Diversity Leadership Council</li> <li>Update on the TD Ready Advice program</li> <li>Annual update on TD’s Cybersecurity program</li> <li>The Board also received reports from the Committee Chairs after each Committee meeting regarding the Committees’ activities, including those described below</li> </ul>
<p><b>Corporate Governance Committee</b></p> <ul style="list-style-type: none"> <li>Oversees and monitors TD’s alignment with its purpose and its strategy, performance and reporting on corporate responsibility and E&amp;S matters, including:                     <ul style="list-style-type: none"> <li>Keeps abreast of trends and best practices in disclosure of E&amp;S matters</li> <li>Updates the Board on E&amp;S issues</li> <li>Reviews TD’s Statement on Human Trafficking and Slavery</li> </ul> </li> <li>Develops and recommends to the Board corporate governance principles, including Code of Conduct and Ethics, to foster a healthy governance culture</li> <li>Oversees enterprise-wide conduct risk</li> <li>Oversees Directors’ continuing education, including with respect to corporate citizenship and ESG</li> <li>Oversees shareholder engagement practices</li> </ul> <p><b>+</b> For further information, refer to TD’s CGC Charter.<sup>1</sup></p>	<ul style="list-style-type: none"> <li>Update on ESG reporting, strategy and performance and reviewed TD’s ESG Report</li> <li>Update on climate analysis</li> <li>Reviewed TD’s Code of Conduct and Ethics and attestation process report</li> <li>Reviewed annual report on shareholder feedback</li> <li>Report on ESG-related shareholder resolutions</li> <li>Report on TD’s Culture and Integrity and update on the evolution of TD’s Culture Framework</li> <li>Updates and quarterly reports on Enterprise Conduct Risk Management</li> <li>In the course of 17 meetings with institutional shareholders in 2020, the Board/CGC Chair and Human Resources Committee (HRC) Chair discussed ESG matters raised by shareholders</li> <li>TD’s Investor Relations and Corporate Citizenship teams held 23 ESG-related meetings with shareholders</li> </ul>
<p><b>Risk Committee</b></p> <ul style="list-style-type: none"> <li>Approves TD’s ERF and its major risks as set out in the ERF</li> <li>Reviews and recommends TD’s Risk Appetite Statement for approval by the Board and oversees management of its risk profile and performance against its risk appetite, including reviewing and approving significant risk management frameworks and policies</li> <li>Provides a forum for analysis of enterprise risk trends and current and emerging risks, including E&amp;S risks</li> </ul> <p><b>+</b> For further information, refer to TD’s Risk Committee Charter.</p>	<ul style="list-style-type: none"> <li>Regular reviews of TD’s enterprise Risk Dashboard, including E&amp;S risk (a Top Risk)</li> <li>Regular updates on monitoring of climate-related risk and potential impacts on TD’s operations</li> <li>Deep-dive report on TD’s E&amp;S risk management</li> </ul>

<b>Introduction</b>	<b>+</b>
<p><b>Governance</b></p> <ul style="list-style-type: none"> <li>Risk Management 24</li> <li><b>Corporate Governance and Integrity 26</b></li> <li>Tax 33</li> <li>Human Rights 34</li> <li>Data Security and Privacy 35</li> </ul>	
<b>Environmental</b>	<b>+</b>
<b>Social</b>	<b>+</b>
<p><b>2020 Awards and Recognition</b></p> <p><b>2020 Performance Data</b></p> <p><b>SASB Index</b></p> <p><b>GRI Index</b></p> <p><b>Endnotes</b></p> <p><b>Acronyms</b></p> <p><b>Caution Regarding Forward-Looking Statements</b></p>	



	Summary of Responsibilities	2020 ESG Engagement
<b>Human Resources Committee</b>	<ul style="list-style-type: none"> <li>Satisfies itself that the Bank's people strategy, organization structure and compensation strategies, plans, policies and practices are consistent with the sustainable achievement of the Bank's strategic ambitions, business objectives, prudent management of its operations and risks, and safeguarding of its unique and inclusive culture</li> <li>Reviews and approves the Bank's Culture Framework</li> <li>Satisfies itself that the Bank has policies and programs in place to support a healthy and safe workplace and business environment for employees and to promote employee well-being</li> </ul> <p><b>+</b> For further information, refer to TD's HRC Charter.<sup>1</sup></p>	<ul style="list-style-type: none"> <li>Monitored the response to the ongoing implications of the pandemic on colleagues</li> <li>Reviewed inclusion and diversity strategy, performance and initiatives</li> <li>Approved the Bank's Culture Framework and monitored indicators of culture, including reports on ethical conduct and respectful workplace behaviour</li> <li>Incorporated additional ESG metrics into the Executive Compensation Framework for the Bank's SET</li> <li>In the course of 17 meetings with institutional shareholders in 2020, the Board/CGC Chair and HRC Chair discussed ESG matters raised by shareholders</li> </ul>
<b>Audit Committee</b>	<ul style="list-style-type: none"> <li>Oversees financial reporting and the effectiveness of internal control systems and processes in the areas of reporting (financial, operational and risk) and operations</li> <li>Oversees the internal audit division of the Bank</li> </ul> <p><b>+</b> For further information, refer to TD's Audit Committee Charter.</p>	<ul style="list-style-type: none"> <li>Updates from the Bank's Chief Auditor on the effectiveness of reporting and key internal controls with respect to top and emerging risks, including E&amp;S and climate risk</li> </ul>

<sup>1</sup> Effective as of February 4, 2021.

**+** For additional information on the activities of the Board, refer to the 2021 Proxy Circular.

## Strengthening Diversity and Inclusion

The Board recognizes and embraces the benefits of diversity in its membership as a competitive advantage, which is in keeping with the Bank's commitment to diversity and inclusion at all levels of the Bank's workforce.

As set out in the Bank's Board Diversity Policy, when identifying and considering qualified candidates for the Board, the CGC considers diversity criteria reflecting the communities TD serves and in which it operates, including diversity in skills, regional and industry experience, gender, age, race, cultural background and other attributes, while recognizing that the Board is comprised of a limited number of individuals. **The Board has established a goal that each gender comprise at least 30% of the Board's independent Directors.** When identifying and considering qualified candidates for the Board, the CGC considers diversity criteria as set out in the Bank's Board Diversity Policy. As at October 31, 2020, women comprised 42% (5 of 12) of the

Bank's independent Directors and 38% (5 of 13) of all Directors. Further, 31% (4 of 13) of all Directors voluntarily self-identified as a visible minority,<sup>24</sup> a person of Indigenous or Aboriginal heritage,<sup>25</sup> LGBTQ2+<sup>26</sup> or a person with a disability.<sup>27</sup>

The Bank also sets goals for representation of women and other groups at the Bank's other senior management levels. Each business within the Bank monitors its respective progress against these diversity objectives on a quarterly basis. **At the end of 2020, the Bank met its goal of increasing the level of women holding titled vice president and above roles in Canada to 40%.** To achieve these results, the Bank invests significant resources in diversity and talent initiatives to support the development and advancement of its employees. Currently, women comprise 20% (two of 10) of positions at the executive officer level (i.e., the Bank's SET).

## Introduction +

### Governance

Risk Management	24
<b>Corporate Governance and Integrity</b>	<b>26</b>
Tax	33
Human Rights	34
Data Security and Privacy	35

## Environmental +

## Social +

### 2020 Awards and Recognition

### 2020 Performance Data

### SASB Index

### GRI Index

### Endnotes

### Acronyms

### Caution Regarding Forward-Looking Statements

### Linking ESG Factors in Executive Total Rewards

We have a balanced approach to executive total rewards that is intended to attract, retain and motivate high-performing executives to create sustainable value over the long term. Our proxy circular outlines the six key principles considered when designing the executive compensation program and provides detailed disclosure of our approach. One of the objectives of the executive compensation program is to reward executives for successfully executing TD's strategy, which includes ESG factors. As a result, **TD embeds ESG-related elements in the determination of the variable compensation pool and the evaluation of individual performance for executives.**

TD's ESG-related objectives incorporate goals across a number of key categories, including customers, colleagues, community, environment and governance. Metrics related to two of these categories – **customer and colleague** – were included in the key metrics used to determine the variable compensation pool for senior executives under the Executive Compensation Plan in 2020. In addition, the individual performance of executives is assessed against several programs and principles which support and reflect TD's ESG goals, and this assessment of individual performance is a key determinant of variable compensation awards. These programs and principles include individual ESG objectives as appropriate for the role, consistency with the Bank's Risk Appetite Statement, Code of Conduct and Ethics, and cultural and behavioural standards embodied in TD's shared commitments and human resources policies and programs.

In 2021, we are building on the existing links, and formally incorporating a number of additional ESG metrics in the variable compensation pool for the SET. These new ESG metrics are related to the Bank's overall ESG strategy, and include objectives related to climate change, diversity and inclusion, and employee engagement.

### Equitable Pay

Diversity and inclusion are core values and strategic business priorities. Our goal is to foster a culture of inclusion and provide a working environment that is supportive of all of our colleagues – where every employee has the opportunity to realize their potential to the fullest. In keeping with these core values, **we are committed to providing equitable compensation opportunities for all employees.**

The foundation of our approach to equitable compensation is the comprehensive and well-established programs and structures that are designed so that **all employees performing the same job have the same opportunity, supporting internal equity and fairness.**

In support of these programs and structures, we have a number of practices to enhance consistency, and verify that outcomes are appropriate. Examples include tools we use to facilitate year-end base salary, incentive decisions that include guidelines to support consistency in decision-making, additional training and other support made available to people managers and a review process for year-end performance and compensation decisions to monitor outcomes.

### Gender Ratio and Minority Pay Ratio

The Bank regularly reviews its structures and practices to confirm they are operating as intended and outcomes are appropriate. During 2020, the Bank worked with a third-party provider to complete a detailed statistical analysis of compensation to assess potential differences in outcomes based on gender and ethnicity. After adjusting for factors such as level, geography and role, the review found that for both base salary and total compensation:

- **Women** earned more than 99 cents for every dollar earned by men;
- **Visible minorities in Canada** earned more than 99 cents for every dollar earned by non-visible minorities; and
- **Minorities in the U.S.** earned more than 99 cents for every dollar earned by white employees.

We use these reviews to actively monitor our compensation outcomes and make adjustments where appropriate to further enhance consistency and fairness across the Bank.

**+ See TD's Approach to Total Rewards for more details.**

In 2021, we are building on the existing links, and **formally incorporating a number of additional ESG metrics in the variable compensation pool** for the SET. These new ESG metrics are related to the Bank's overall ESG strategy, and include objectives related to climate change, diversity and inclusion, and employee engagement.



## Introduction +

## Governance

Risk Management	24
<b>Corporate Governance and Integrity</b>	<b>26</b>
Tax	33
Human Rights	34
Data Security and Privacy	35

## Environmental +

## Social +

<b>2020 Awards and Recognition</b>
<b>2020 Performance Data</b>
<b>SASB Index</b>
<b>GRI Index</b>
<b>Endnotes</b>
<b>Acronyms</b>
<b>Caution Regarding Forward-Looking Statements</b>

# Tax

## Tax Governance

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

- Complying with all applicable tax laws and the stated legislative intent of these laws
- Maintaining tax compliance as a fundamental part of our business practice
- Complying with arm’s length principles for TD Bank Group’s intragroup 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 to assist in the development of tax legislation and assessing its economic implications

TD does not employ tax planning strategies targeted by the Organisation for Economic Co-operation and Development that exploit gaps and mismatches in tax rules to avoid paying tax. TD applies the tax transfer pricing principles and documentation requirements under the local country laws for each jurisdiction where we operate and follows the OECD guidelines. In managing our global tax burden, TD considers the tax rates of foreign jurisdictions when determining where best to conduct operations and allocate capital.

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 2020, 95% of our taxes were paid in these jurisdictions.

In the U.S., we make significant investments in affordable housing as discussed in the Social Inclusion section of this report. These investments result in Low-Income Housing Tax Credits, which lower the taxes we pay in the U.S. We also invest in municipal bonds in the U.S., which pay tax-free interest. These and similar credits are the main reason why our tax liability is lower than the statutory tax rate.

## Taxes We Collect

TD collects taxes on behalf of governments in the countries and regions where we operate. The taxes we collect include:

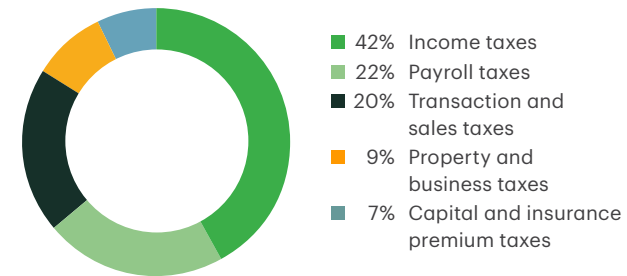
- The employee portion of payroll taxes
- Income tax on behalf of employees
- Property tax on behalf of customers who are mortgage holders
- Transaction tax on customer activities to which sales taxes apply
- Withholding taxes on behalf of investors

### Analyst Corner

Tax Data ([page 80](#))

Taxes Paid in Canada – TD’s 2020 Public Accountability Statement

## Types of Taxes Borne by TD in 2020



## Introduction +

## Governance

Risk Management	24
Corporate Governance and Integrity	26
<b>Tax</b>	<b>33</b>
Human Rights	34
Data Security and Privacy	35

## Environmental +

## Social +

- 2020 Awards and Recognition**
- 2020 Performance Data**
- SASB Index**
- GRI Index**
- Endnotes**
- Acronyms**
- Caution Regarding Forward-Looking Statements**

# Human Rights

## Analyst Corner

- Human Rights Data ([page 80](#))
- Code of Conduct and Ethics
- Supplier Code of Conduct
- TD Bank Group: Statement on Human Rights
- TD Bank Group Slavery and Human Trafficking Statement
- TD Bank Statement on Anti-Money Laundering, Anti-Terrorist Financing and Sanctions
- Statement on Anti-Corruption



## 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**. TD's primary businesses are conducted in countries that are governed by strong legal and human rights regulations. We abide by all human-rights-related laws of the countries where we operate.

To further demonstrate our commitment, in 2020, TD released a **Statement on Human Rights**. The Statement recognizes the important role that TD plays in respecting the human rights of our employees, customers and the communities in which we operate and presents our overall approach to addressing human rights considerations across the organization.

For example, 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** articulates our commitment to providing a work environment free from any form of harassment and unlawful discrimination, where every employee, customer, client and third-party worker is treated with dignity and respect. TD's employees are at the heart of everything we do, and we encourage a diverse and inclusive 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.

In 2018, we joined Business for Social Responsibility's Human Rights Working Group, which supports companies in implementing the **United Nations Guiding Principles on Business and Human Rights (UNGP or "the Principles")**. TD recognizes the framework established by the Principles and the corporate responsibility to respect human rights.

To align with the UNGP, we have been undertaking a review of current practices and procedures and are working toward integrating the UNGP across our Bank-

wide operations and practices. As part of this effort, in 2019, we updated our **Supplier Code of Conduct** to expand on TD's expectations of how our suppliers conduct business, with a focus on discrimination and human trafficking. Our Statement on Human Rights further reflects this progress.

We expect and require every TD employee and Director to assess every business decision and action on behalf of the organization in light of whether it is right, legal, fair and within our risk appetite, as per the **TD Code of Conduct and Ethics**. Specific 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.

At TD, we condemn discrimination in any form and have committed to various initiatives to help address systemic challenges. **Our 2020 initiatives** include committing to increasing the representation of minority executives, with a focus on Black and Indigenous professionals, establishing an enterprise-wide Black Experiences area of focus within our D&I strategy, and investing in initiatives and organizations that address the impacts of anti-Black racism. We also recognize Indigenous rights and support the principle of free, prior and informed consent as applied in Canada in the development of new projects. See [page 69](#) for more information on our Diversity and Inclusion strategy.

As described in our **Slavery and Human Trafficking Statement**, TD has appropriate policies and practices in place to address the risk of slavery and human trafficking in our business activities and supply chain. Our Human Rights Working Committee is responsible for annually updating the TD Bank Group Slavery and Human Trafficking Statement and TD's Statement on Human Rights.

**113,000+<sup>1</sup>**  
Human-rights-related training hours

<sup>1</sup> The total number of hours related to human rights training was calculated using a 100% allocation applied to the total hours spent on human-rights-related courses in fiscal year 2020. Courses cover topics such as TD's Code of Conduct and Ethics, diversity and inclusion, fair banking and serving customers with disabilities.



**Introduction** +

<b>Governance</b>	
Risk Management	24
Corporate Governance and Integrity	26
Tax	33
<b>Human Rights</b>	<b>34</b>
Data Security and Privacy	35

**Environmental** +

**Social** +

<b>2020 Awards and Recognition</b>
<b>2020 Performance Data</b>
<b>SASB Index</b>
<b>GRI Index</b>
<b>Endnotes</b>
<b>Acronyms</b>
<b>Caution Regarding Forward-Looking Statements</b>

# Data Security and Privacy

## Why it matters to TD

The trust of our customers lies at the core of our business. In the digital era, data security and privacy threats continue to evolve and escalate. Remote work brought on by COVID-19 creates unique challenges for data security. Although TD has not experienced any material financial losses relating to technology failure, cyber attacks, security or privacy breaches, we remain vigilant. Any attack, breach, disruption or compromise may lead TD to experience, among other things, financial loss, a loss of customers or business opportunities, increased costs to maintain and update operational and security systems, and infrastructure and reputational damage.



## Our Approach

Protecting our customers and our Bank remains one of our top priorities. To do so, we actively monitor and manage security and privacy risks and enhance our ability to mitigate them through enterprise-wide programs, industry-accepted practices and threat and vulnerability assessments and responses. TD's Information Security and Risk Management policies and the Privacy Code outline the organizational controls we have in place to help protect information. Our other security measures include firewalls, data encryption and around-the-clock monitoring to help maintain the quality of TD's technology systems and proactively identify unusual customer account activity.

Rather than only reacting to emerging cyber threats and risks, we are focused on predicting and proactively addressing them. With the COVID-19 pandemic, we prioritized security while maintaining and building stronger stability as we further understand our cybersecurity risks and work to manage them.

TD has maintained Bank-wide policies, procedures, standards and guidelines to help protect the personal information of our customers and employees. The [TD Privacy Code](#) informs our customers of the ways in which we help protect privacy and the confidentiality of information. The TD Privacy Agreement explains how we collect, use and disclose customer information. The Agreement also outlines customer options to withdraw or refuse consent. 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 that is collected when they use the TD app and/or TD websites is handled).

## Analyst Corner

Data Security and Privacy Data ([page 80](#))

How We Protect You (Security Measures)

Our Privacy Commitment

How You Can Protect Yourself



**Introduction** +

**Governance**

Risk Management	24
Corporate Governance and Integrity	26
Tax	33
Human Rights	34
<b>Data Security and Privacy</b>	<b>35</b>

**Environmental** +

**Social** +

**2020 Awards and Recognition**

**2020 Performance Data**

**SASB Index**

**GRI Index**

**Endnotes**

**Acronyms**

**Caution Regarding Forward-Looking Statements**

## Performance in 2020

### Bolstering Data Security

- **TD Fusion Centre:** TD’s latest Fusion Centre came online in April 2020 in Singapore and, alongside Fusion teams in Toronto, New Jersey and Tel Aviv, helped consider new ways to protect the Bank from cyber risk and other threats just as the full extent of COVID-19’s impact on the world was coming into focus. At each Fusion Centre, artificial intelligence (AI) and machine learning tools are coupled with a diverse team of professionals to help improve threat detection and efficiency in the protection of data and technology assets. Collectively, TD can now employ a “follow the sun” model to help monitor threats to TD’s overall security, while tapping into a rich pool of local talent.
- **Increased Cyber Fluency and Measurement:** Each of TD’s businesses is responsible for managing cybersecurity risks and improving awareness of cyber threats across the organization. Our senior executives monitor the cyber threat landscape, our technology and cyber risk profile, emerging risks and road maps to keep our cybersecurity profile current. In addition, our business partners are proactively driving cyber risk management within their businesses.
- **Cybersecurity Connections:** In collaboration with ACCES Employment and IBM, TD supported the Cybersecurity Connections program that helps internationally trained IT professionals secure employment in cybersecurity. This eight-week full-time program provides participants with a broad understanding of cybersecurity concepts, Canadian industry best practices for information, and key security concepts to protect individuals and businesses against fraud, data breaches and other vulnerabilities.

### Strengthening Cybersecurity at TD

<b>Governance and Policy</b>	<ul style="list-style-type: none"> <li>• Cybersecurity is a formal component of TD’s overall risk management framework. Glenn Foster, our Chief Information Security Officer, oversees our cybersecurity program and provides updates to the Board and to certain Board committees such as the Enterprise Risk Management Committee’s Cybersecurity Subcommittee.</li> <li>• TD has a cybersecurity strategy that is regularly reviewed and updated. The Board has Directors who have technology management as a key skill/experience.</li> <li>• Our cybersecurity policy is internally available to all employees.</li> </ul>
<b>Training and Culture</b>	<ul style="list-style-type: none"> <li>• All TD employees play a role in protecting the Bank from cyber threats.</li> <li>• All eligible employees complete mandatory cyber, privacy and information security training courses, which are refreshed annually.</li> <li>• Key employees in high-risk job functions and executives, as well as the Board, are also offered enhanced cyber, information and security training.</li> <li>• TD regularly tests the effectiveness of its Cybersecurity Awareness Program and works 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.</li> </ul>
<b>Threat Monitoring</b>	<ul style="list-style-type: none"> <li>• TD has cyber threat intelligence teams dedicated to monitoring, detecting, understanding, analyzing and responding to cyber threats and assessing their likelihood and the impact they may have on business operations, infrastructure and personnel.</li> <li>• TD has programs in place to assess and monitor our most critical third-party providers’ cybersecurity, data security and privacy capabilities.</li> <li>• See the description of the TD Fusion Centre.</li> </ul>
<b>Industry Frameworks</b>	<ul style="list-style-type: none"> <li>• We continue to raise the bar and evolve our capabilities with the maturity of TD’s cybersecurity program being measured against the National Institute of Standards and Technology Cybersecurity Framework.</li> <li>• To better drive TD’s overall strategy for implementing cybersecurity capabilities and improve peer benchmarking, in the next two years, TD is planning to migrate to the Bank Policy Institute (BPI)’s<sup>28</sup> Cybersecurity Risk Profile. By having representation on the Board of Directors of this initiative, TD will also be able to influence the new framework.</li> <li>• TD also complies with many industry-level codes of conduct designed to protect consumers.</li> </ul>
<b>Insurance</b>	<ul style="list-style-type: none"> <li>• TD has a dedicated cyber insurance policy to help mitigate against the financial risk of cyber-related events within our insurance portfolio, although we recognize that it may not be sufficient to cover all financial losses.</li> </ul>

## Introduction +

<b>Governance</b>	
Risk Management	24
Corporate Governance and Integrity	26
Tax	33
Human Rights	34
<b>Data Security and Privacy</b>	<b>35</b>

## Environmental +

## Social +

<b>2020 Awards and Recognition</b>
<b>2020 Performance Data</b>
<b>SASB Index</b>
<b>GRI Index</b>
<b>Endnotes</b>
<b>Acronyms</b>
<b>Caution Regarding Forward-Looking Statements</b>

Enhancing Privacy

<b>Governance and Policy</b>	<ul style="list-style-type: none"> <li>A Global Chief Privacy Officer, in collaboration with other areas within the Bank, oversees TD’s Privacy program and reports to the Global Chief Compliance Officer. Local privacy officers are engaged in the jurisdictions where the Bank operates outside of Canada.</li> <li>TD’s Global Privacy program sets out the principles according to which TD collects, uses, discloses, retains and otherwise handles and processes personal information.</li> <li>The Global and Jurisdictional Privacy Offices (“the Privacy Office”), together with other risk and control partners, provide objective guidance, independent challenge and risk-based oversight of privacy compliance with the program and with the privacy laws and regulations applicable to the jurisdictions in which TD operates.</li> <li>Further details on TD’s practices regarding the management of personal information in the course of commercial activities are available on our external website.</li> </ul>
<b>Training and Culture</b>	<ul style="list-style-type: none"> <li>All employees play a critical role in supporting TD’s compliance with privacy laws and regulations. TD’s privacy training provides employees with the skills and knowledge they can use to protect customer and employee privacy appropriately and to understand their privacy obligations. Privacy training also increases the awareness employees and contractors require to conduct day-to-day business activities in a privacy-compliant manner.</li> </ul>
<b>Regulatory Frameworks</b>	<ul style="list-style-type: none"> <li>The Privacy Office proactively monitors new or amended privacy-related regulatory requirements and, where required, provides guidance on the application of any changes to TD’s businesses. This includes consultations and proposed updates to Canadian privacy legislation, U.S. legislation and continued regulatory changes to Europe and Asia-Pacific privacy laws such as the <i>Singapore Personal Data Protection Act 2012</i>.</li> </ul>
<b>Industry Best Practices</b>	<ul style="list-style-type: none"> <li>The Canadian Privacy Office continues to actively participate in the Canadian Bankers Association’s advocacy efforts in connection with various federal and provincial privacy reform initiatives, including the Digital Charter.</li> <li>The U.S. Privacy Office employees are all members of the International Association of Privacy Professionals and maintain relationships with federal and state regulators.</li> </ul>
<b>Customer Education</b>	<ul style="list-style-type: none"> <li>We strive to provide clear and accessible information to the customer on how their data is collected, used, shared and disclosed (including with third parties). Where appropriate, we provide the customer with choices that balance their expectation with legitimate business needs and requirements of the law in jurisdictions where TD operates.</li> <li>We are focused on maintaining and investing in this area by enhancing mechanisms and infrastructure for transparency and choice.</li> </ul>

**Challenge: Rapid transition to a virtual working environment**

**Response:** In March 2020, as COVID-19 disrupted society, TD’s operations and delivery were immediately impacted by government measures and stay-at-home orders. In response, the Bank took the unprecedented decision to move tens of thousands of colleagues to a work-from-home environment to protect our colleagues and respond to government requests.

TD was able to learn from the experience of our teams in Asian markets that had already experienced an early wave of COVID-19 and anticipate the challenges, and initiate planning well before the full impact of the pandemic arrived in our main geographic footprints. IT, Cyber, procurement and other operations teams collaborated closely and were able to move with speed to both enable the transition and provide clear and continuous communications and direction to tens of thousands of colleagues transitioning overnight to work-from-home.

Notwithstanding TD’s rapid and successful response, the Bank faced numerous early operational challenges as we moved thousands of colleagues to home-based work and saw millions of customers broaden their digital engagement with the Bank. Our digital properties required important capacity and functional updates to serve a rapidly rising digital customer base, our existing video capabilities did not provide all colleagues with consistent access in the first few weeks of the pandemic, and there were significant challenges procuring adequate equipment for branch, store and other TD locations that remained open. These challenges required the rapid expansion of technology access and infrastructure capacity; equipment distribution to thousands of residences across our footprint; cyber-security enhancements to protect the enterprise and our customers/clients; adequate oversight to maintain the integrity of information; and establishment of new processes to maintain team collaboration and program execution in a remote environment.

Through a centralized decision-making oversight committee of the Bank’s most senior leaders – the Primary Executive Team – the Bank was able to address and solve for each of these challenges, make rapid decisions to meet the needs of the business and the growing expectations of our colleagues and customers, align resources across the Bank, and implement new procedures and policies to protect the enterprise and serve customers without disruption.

<b>Introduction</b>	<b>+</b>
<b>Governance</b>	
Risk Management	24
Corporate Governance and Integrity	26
Tax	33
Human Rights	34
<b>Data Security and Privacy</b>	<b>35</b>
<b>Environmental</b>	<b>+</b>
<b>Social</b>	<b>+</b>
<b>2020 Awards and Recognition</b>	
<b>2020 Performance Data</b>	
<b>SASB Index</b>	
<b>GRI Index</b>	
<b>Endnotes</b>	
<b>Acronyms</b>	
<b>Caution Regarding Forward-Looking Statements</b>	



# Environmental



**Introduction** +

**Governance** +

**Environmental**

A Message From Our Head of Environment	39
Climate Change	40
Sustainable Finance	43
Lending	44
Investing	47
Responsible Resource Use	51

**Social** +

2020 Awards and Recognition	
2020 Performance Data	
SASB Index	
GRI Index	
Endnotes	
Acronyms	
Caution Regarding Forward-Looking Statements	



# A Message From Our Head of Environment



## Evolving TD's Climate Leadership From Carbon Neutral to Net Zero

In 2020, TD announced its commitment to a global Climate Action Plan, which includes a target to achieve net-zero GHG emissions associated with its operations and financing activities by 2050, aligned to the associated principles of the Paris Agreement.

Climate change poses systemic risks that have the potential to affect virtually all aspects of our business. Along with many stakeholders, we have increased focus on climate change risks and on aligning with the GHG reduction goals of the Paris Agreement. We're in the same position as our clients – seeking opportunities to adapt operations and business activities to a low-carbon economy, which will require dedicated effort over the long term. By targeting net-zero emissions by 2050, we are helping to forge the path to a low-carbon future for our customers, colleagues and communities.

While long-term, ambitious goals are important to mobilize the action of many in the right direction, setting shorter-term targets is essential to help ensure incremental progress. Carbon accounting has emerged as the foundational step for setting GHG reduction targets and tracking progress. We intend to establish a GHG emission baseline across our own financing and business activities, set interim targets on the path toward 2050 and report on these metrics and on our progress annually starting with 2021. To develop and promote universally accepted, science-based measurements of GHG emissions, we continue to engage with governments, non-governmental organizations, businesses and other groups. We joined the **Partnership for Carbon Accounting Financials** because we recognize that global reporting standards will help improve reporting, decision-making and risk management.

Establishing **our target to achieve net-zero emissions** is a significant step in our leadership journey; we recognize the significance of addressing our financed emissions to enact meaningful action on climate. The target to achieve net-zero emissions by 2050 is ambitious, and our path to get to our target is not clear. But we want to be a leader in the work needed to drive sustainable, long-term growth. We will need to combine resources and continue collaboration across the private, public and research sectors to help successfully transition key industries and the broader economy.

We are emboldened in our journey toward net zero by our track record of environmental leadership and our recognition that we have a unique role to play. We were the first bank in North America to become carbon neutral in 2010. **Since 2017, we have contributed over \$56 billion of our \$100 billion commitment in total in low-carbon lending, financing, asset management and internal corporate programs by 2030.** In 2020, we issued our inaugural sustainability bond to direct capital toward green and social projects to help build a more sustainable

economy. To better understand the resilience of our credit, investment and insurance portfolios to climate-related impacts, in 2018, we became the only financial institution to be engaged in all three of the UNEP FI TCFD pilot projects for banks, investors and insurers and we have continued to be part of Phase 2 of the banking pilot. We are employing sustainable financing tools to address the global climate crisis, and TD Asset Management is increasingly integrating ESG into its investment decisions. Our Advisory Board on Climate Change, a first for the Canadian insurance industry, will develop and implement initiatives to address key climate change issues and identify opportunities for change that are of importance to TD Insurance and the insurance industry at large. We have also decided to not provide new project-specific financial services for activities that are directly related to the exploration, development or production of oil and gas within the Arctic Circle, recognizing the significance of this area for the health of the global climate system.

Our achievements would not have been possible without the engagement of our leaders across the Bank, including members of the **ESG SET Forum** and the **Sustainable Finance Executive Council (SFEC)**. We want to be a leader in the work needed to drive sustainable, long-term growth, and that means actively working to make the path clearer. To continue developing capacity to support our clients and industry sectors through the transition to a lower-carbon economy, we have created dedicated teams across our enterprise to actively participate in these efforts.

Sincerely,

**Nicole Vadori**  
AVP and Head of Environment

**Introduction** +

**Governance** +

## Environmental

**A Message From Our Head of Environment** 39

Climate Change 40

Sustainable Finance 43

Lending 44

Investing 47

Responsible Resource Use 51

**Social** +

**2020 Awards and Recognition**

**2020 Performance Data**

**SASB Index**

**GRI Index**

**Endnotes**

**Acronyms**

**Caution Regarding Forward-Looking Statements**

# Climate Change

## Why it matters to TD

For TD, climate change has emerged as a top risk, as extreme weather events, shifts in climate norms and risks associated with the global transition to a low-carbon economy increase and evolve. In 2020, COVID-19 has highlighted the interconnectedness of financial, physical and environmental health and that structural changes to our energy systems and consumption-based economy are required for meaningful global climate action. Despite the significant and sudden halt to activity globally due to pandemic lockdowns, it is estimated that global GHG emissions will be reduced by only 8%.<sup>29</sup> The evolving expectations of stakeholders and the impact of the pandemic are both opportunities for TD to take a leadership role in helping to create effective business solutions to support climate mitigation.

## Our Approach

At TD, we continue to evolve our environmental strategy so that our efforts result in meaningful action on climate change and the advancement of low-carbon solutions for a future economy that is viable and sustainable. More than a decade ago, TD was one of the first major North American banks to identify climate change as an environmental issue with economic impacts. We have moved from being the first major North American bank to be carbon neutral in 2010 to being the first Canadian bank to set a target to achieve net-zero GHG emissions associated with our operations and financing activities by 2050.

The path to net zero is uncertain and complex and will be forged over time. We intend to help lead the way by taking a thoughtful approach to understanding the unique challenges and opportunities within each sector by working closely with clients to support transition programs. **Achieving net-zero GHG emissions by 2050 will require collaborative action among many stakeholders, and we see significant value in engaging with organizations such as the Institute for Sustainable Finance (ISF), the PCAF and TCFD.**

In 2020, TD joined the PCAF to support the development of carbon accounting methodologies for financial institutions globally. As an initial step on our path to achieve our target

of net-zero emissions associated with our operations and financing activities by 2050, TD is working to establish Scope 3 financed emission baselines, leveraging the PCAF methodology, to inform our interim GHG reduction goals. To begin this assessment, we are reviewing our lending and investment portfolios from a financed emissions perspective. These efforts have highlighted that further developing our climate data capabilities will continue to be a focus for TD.

While the precise path to achieve the 2050 target remains unclear, we will continue to work with initiatives such as PCAF to assess different approaches to measuring our emissions and to set interim targets on the path to 2050. TD will continue to engage with governments, non-governmental organizations, businesses and other groups to develop and promote measurement and tracking methodologies for financed emissions, as well as GHG reductions strategies aligned to science-based transition pathways. As always, our clients remain our priority and we will continue to work with them as they pursue their own transitions to a low carbon economy, which will, in turn, improve our data availability for financed emissions.

## Analyst Corner

- Climate Change Data ([page 81](#))
- Climate Action Plan
- Carbon Neutral Schedule ([page 83](#))
- 2020 Principles for Sustainable Insurance – Annual Disclosure
- TD’s TCFD Report
- Low-Carbon Economy Progress Report
- 2020 CDP Climate Change Questionnaire



In 2020, TD announced its ambition to target **net-zero GHG emissions** associated with its operations and financing activities by 2050.

**Introduction** +

**Governance** +

**Environmental**

A Message From Our Head of Environment	39
<b>Climate Change</b>	<b>40</b>
Sustainable Finance	43
Lending	44
Investing	47
Responsible Resource Use	51

**Social** +

- 2020 Awards and Recognition**
- 2020 Performance Data**
- SASB Index**
- GRI Index**
- Endnotes**
- Acronyms**
- Caution Regarding Forward-Looking Statements**

## Performance in 2020

### Supporting Long-Term Sustainable Economic Growth

Achieving the goals of the **Paris Agreement** will require collective effort over the long term, with complex transition strategies within and across multiple industries. In many cases, new solutions will need to be envisioned, developed and deployed at scale. The combined resources and continued collaboration across the private, public and research sectors are needed to help successfully transition each industry and the broader economy. To that end, in 2020, TD announced its ambition to target net-zero GHG emissions associated with its operations and financing activities by 2050, aligned to the associated principles of the Paris Agreement.

TD customers and clients want TD to address climate change as an urgent issue and support their efforts. However, they are concerned about the economic and social implications of the transition for the future of the communities in which they live. We intend to understand the unique challenges and opportunities within key industries and work closely with businesses, regulators and organizations as they build and deploy their transition programs. There are clear opportunities to accelerate progress in many sectors, while others will require significant planning and investment.

Here are a few concrete steps we have taken:

- We have established an **ESG Centre of Expertise** to participate in the global efforts needed to enable the low-carbon economy.
- We are providing clients with advisory services and important transition and sustainability-focused financing globally through the newly formed **Sustainable Finance and Corporate Transitions group** within TD Securities.
- We announced a **\$1.25 million five-year commitment to the ISF<sup>30</sup>** to support aligning mainstream financial markets with Canada’s transition to a lower-carbon economy.
- We **joined the PCAF** to support the development of carbon accounting methodologies for financial institutions globally.

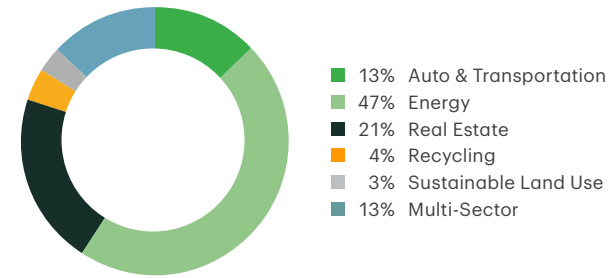
## Supporting Climate Opportunities

TD has targeted a total of \$100 billion in low-carbon lending, financing, asset management and internal corporate programs by 2030, with its contribution totalling **over \$56 billion** over the last four years. We were the first Canadian bank to announce a financial target to support the transition to a low-carbon economy. The natural capital value of this target is estimated at over \$267.5 million, and the environmental impact of our contribution is over 1.5 million tonnes of GHG emissions avoided (equivalent to the annual energy use of approximately 140,500 homes). From an economic perspective, our financing activities have supported more than **156,000 jobs** and contributed approximately **\$27.6 billion** to the GDP.<sup>31</sup> We are not only on track to reach our target ahead of 2030, but we are also exploring ways to innovate and develop new targets that will further advance the low-carbon economy in North America.

Advancing the development and employment of **clean technology** provides a significant opportunity to accelerate the pace of change. Clean technology has the potential to alleviate the harmful effects on the environment from energy production and increase the competitiveness of economies. Recognizing the important role of cleantech companies in the low-carbon transition, we highlight below a few ways in which we have supported cleantech solutions:<sup>32</sup>

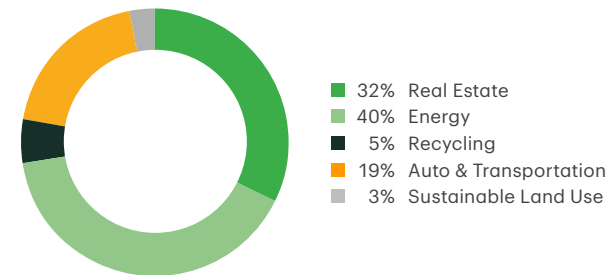
- A commitment to cleantech investment, including an investment in **ArcTern Ventures’ Fund II**, one of Canada’s largest clean technology venture funds
- Support for startups through the **TD Sustainable Future Lab** in Waterloo – the region’s first cleantech accelerator
- Establishing the industry-leading **Patents for Startups program**, the first of its kind in North America, to help cleantech and other innovative companies protect and patent their applications

### TD’s Financial Support of the Low-Carbon Economy by Market Sector<sup>1,2</sup>



<sup>1</sup> Chart shows market sector breakdown of the over \$56 billion total. Reflects cumulative total from 2017 to 2020.  
<sup>2</sup> The totals may not add up to 100% due to rounding.

### Breakdown of Jobs Supported by Market Sector<sup>1,2</sup>



<sup>1</sup> Represents 2017–20 excluding the impact of multi-sector transactions because these could not be accurately estimated using the current methodology.  
<sup>2</sup> The totals may not add up to 100% due to rounding.

<b>Introduction</b>	<b>+</b>
---------------------	----------

<b>Governance</b>	<b>+</b>
-------------------	----------

<b>Environmental</b>	
A Message From Our Head of Environment	39
<b>Climate Change</b>	<b>40</b>
Sustainable Finance	43
Lending	44
Investing	47
Responsible Resource Use	51

<b>Social</b>	<b>+</b>
---------------	----------

<b>2020 Awards and Recognition</b>
<b>2020 Performance Data</b>
<b>SASB Index</b>
<b>GRI Index</b>
<b>Endnotes</b>
<b>Acronyms</b>
<b>Caution Regarding Forward-Looking Statements</b>

### Managing Climate Risk – Addressing Impacts on Business

TD supports the recommendations from the Financial Stability Board’s Task Force on Climate-related Financial Disclosures, which provides important guidance on using a more consistent approach to assessment and reporting of climate-related risks and opportunities. Since 2018, we have released disclosure on how TD has embedded the assessment and disclosure of climate-related risks and opportunities into our governance, processes and reporting. TD is on a journey to adopt the requirements of TCFD and intends to continue building our expertise for managing climate risks and opportunities.

In 2020, TD made notable progress toward addressing the recommendations, including the following key accomplishments:

- **Governance** – TD conducted an educational session on managing climate risk and related investment strategies for the Board. We have established an ESG SET Forum to oversee and execute the key climate priorities of our ESG strategy and Climate Action Plan. In addition, we have also created an ESG Centre of Expertise and a Sustainable Finance Executive Council. We will continue to integrate regular climate risk assessment and monitoring responsibilities into existing executive committees.
- **Strategy** – We are operationalizing our 2050 climate target that arose from our Climate Action Plan. We have already established a Sustainable Finance and Corporate Transitions Group and launched two new ESG-oriented mutual funds. We also continue to make progress toward meeting our target of \$100 billion by 2030 to help support the transition to a low-carbon economy and to participate in industry initiatives, including the Bank of Canada and the Office of the Superintendent of Financial Institutions’ new scenario analysis pilot program.
- **Risk management** – TD continues to integrate E&S risk into the enterprise risk management process and escalate material E&S risks to risk committees for additional review and due diligence. We are working toward embedding E&S risks in all relevant enterprise risk management process and developing an enterprise-wide view to inform and evaluation our position on complex and evolving climate-related issues. We also continue to work on developing key E&S risk metrics in 2021.

- **Metrics and targets** – We set a target of net-zero GHG emissions with our operations and financing activities by 2050 and joined PCAF to support the development of carbon accounting methodologies for financial institutions globally. TD uses the carbon-related assets relative to total assets metric<sup>33</sup> to help us monitor our concentration in and exposure to climate-sensitive industry sectors over time. We intend to further explore key climate risk and opportunity metrics.

#### TD Insurance – Supporting Our Customers and the Insurance Industry

Extreme weather events continue to have an impact in jurisdictions where we conduct business, directly affecting our operations and the communities we serve. In Canada alone, in 2019, insured damage from severe weather reached \$1.3 billion.<sup>34</sup> At TDI, we view these events as an opportunity and a responsibility to take meaningful action to address how we can protect our customers and support the insurance industry. We continue to research and assess ways in which we can help our customers adapt to climate change and improve our disaster recovery efforts. Examples include the following:

- TDI continues to participate in **cross-sector collaborations and research initiatives** to understand how the industry can increase resilience in the face of increasing extreme weather events. Examples include Atmospheric and Environmental Research, the Institute for Catastrophic Loss Reduction and the Alberta Severe Weather Management Society.
- We actively participate in **industry associations** such as the Insurance Bureau of Canada, the Canadian Association of Direct Relationship Insurers and the Canadian Life and Health Insurance Association and subject-specific working groups such as the National Roundtable on Flood Risk and the National Roundtable for Disaster Risk Reduction. In 2019, TDI established its Advisory Board on Climate Change, a first for the Canadian insurance industry, to address flood risk, resilience and homeowner education.

- We were the second Canadian-based signatory to the **UNEP FI Principles for Sustainable Insurance (PSI)** in 2014. We joined a group of 16 PSI signatories who have committed to participating in the UNEP FI-supported pilot to implement the recommendations of the TCFD in the insurance industry in 2018. The pilot group developed and tested analytical tools to support insurance industry climate risk disclosures, providing information to investors, consumers and other stakeholders. The pilot group, whose focus is on non-life insurance work, released an interim report in September 2020 and concluded its work by releasing a final report in January 2021. The pilot participants are expected to begin public disclosures in 2021-22.
- The TDI group of companies includes **insurance on solar panels** in its mainstream insurance offerings. In addition, the TDI group of companies offers **discounts on insurance** for the following:
  - Hybrid and electric vehicles in Canada since 2008 and 2011, respectively
  - Customers in Alberta who choose stronger and longer-life-expectancy roofing materials to reduce damage from extreme weather events such as hailstorms

**2.3%<sup>1</sup> or \$34.5b**  
carbon-related assets  
to total assets

<sup>1</sup> The year-over-year decrease can be largely attributed to an increase in TD’s exposure to the Government, public sector entities and the education sector in 2020.



**Introduction** +

**Governance** +

### Environmental

A Message From Our Head of Environment	39
<b>Climate Change</b>	<b>40</b>
Sustainable Finance	43
Lending	44
Investing	47
Responsible Resource Use	51

**Social** +

**2020 Awards and Recognition**

**2020 Performance Data**

**SASB Index**

**GRI Index**

**Endnotes**

**Acronyms**

**Caution Regarding Forward-Looking Statements**

# Sustainable Finance

## Why it matters to TD

TD stakeholders, including customers and employees, face new challenges arising from floods, storms, carbon taxes and other factors brought on by evolving climate conditions. Business clients face additional challenges in operating their business in a landscape where climate risks are increasing, stakeholder expectations are evolving and there is uncertainty in the energy transition process. TD’s sustainable finance products and services offer an avenue for all stakeholders to make a conscious choice to better the health of our planet.

### Analyst Corner

Sustainable Finance Data ([page 84](#))

Green Banking

Green Products ([page 84](#))



## Our Approach

We are working to integrate sustainable finance across our business through our lending and investing practices. We continue to improve on how we assess environmental risks and opportunities in our lending portfolio and help our clients identify their role in the transition economy and navigate the evolving ESG landscape through our products (GSS bonds, sustainability-linked loan and bond structuring and underwriting, and mergers and acquisitions and private equity ESG due diligence) and advisory services.

The Government of Canada set up the Expert Panel on Sustainable Finance in 2018 to engage with financial market participants to outline global trends, opportunities and challenges relating to sustainable finance and climate-related risk in Canada, as well as recommendations for potential next steps, roles and responsibilities.<sup>35</sup> Financial institutions are encouraged to consider climate risks and opportunities in their enterprise strategy so that their financing and investment decisions, products and services are all created with a vision of achieving sustainable growth.<sup>36</sup>

In 2019, TD established the **Sustainable Finance Executive Council** to develop an enterprise-wide strategy that mobilizes sustainable finance across the Bank. The mandate of the council is to identify and address potential barriers to implementing the strategy within business lines, act as sustainable finance champions within business lines and develop a pipeline of environmental and social products, services and programs. The SFEC works toward **aligning the sustainable finance opportunities with TD’s enterprise-wide ESG strategy focused on environmental health and economic inclusion.**

The council is chaired by Paul Douglas, Group Head, Business Banking, and consists of 12 executive members who represent their respective business lines. In addition to contributing toward and supporting the sustainable

finance strategy, the SFEC members provide leadership oversight so that the strategy is implemented successfully within their respective businesses.

The Government of Canada Expert Panel on Sustainable Finance states that “sustainable finance must become, simply, finance. In other words, climate change opportunity and risk management need to become business as usual in financial services, and embedded in everyday business decisions, products and services.”<sup>37</sup> SFEC members understand this and are focused on making TD a leader in sustainable finance while maintaining market competitiveness.

Studies show that consumers believe that protecting the environment contributes to, rather than hinders, economic growth<sup>38</sup> and that they are increasingly interested in green banking products that are financially competitive. We have created a range of green banking products and services and restructured traditional financial products to support green and/or transition efforts of both our personal and business customers (an example of a restructured product is a personal loan for renewable energy financing). In 2020:

- In Canada, we offered **green financial programs and services** across business lines, including **ECO**, a program that offers special rates on financing for hybrid and electric vehicles. We financed over 3,500 hybrid and electric vehicle transactions valued at approximately \$134 million.
- In the U.S., **TD Auto Finance** originated over 5,700 new electric/hybrid vehicle loans totalling US\$295 million. The total outstanding U.S. portfolio for these loans was US\$744 million.<sup>39</sup>

**Introduction** +

**Governance** +

## Environmental

A Message From Our Head of Environment	39
Climate Change	40
<b>Sustainable Finance</b>	<b>43</b>
Lending	44
Investing	47
Responsible Resource Use	51

**Social** +

**2020 Awards and Recognition**

**2020 Performance Data**

**SASB Index**

**GRI Index**

**Endnotes**

**Acronyms**

**Caution Regarding Forward-Looking Statements**

# Lending



Landscape from the Arctic National Wildlife Refuge

TD enhanced its governance on E&S risk through the formalization of an E&S risk management group under Operational Risk Management in 2019. The group has environmental and social risk oversight accountabilities, including establishing risk policies, processes and governance to actively manage, monitor and report on these risks. E&S issues are embedded within our Enterprise Risk Management Framework. Through our participation in the **UNEP FI TCFD lending pilot**, we achieved a better understanding of the physical, transition and climate risks in our current portfolio. We understand that a global energy transition is underway and recognize that traditional energy sources will be a part of our energy mix for some time. We support responsible energy development backed by federal and provincial/state energy policy, regulation and our own due diligence. We have also dedicated more resources to support clients in their transition to the low-carbon economy.

## Environmental and Social Due Diligence

We manage environmental and social risk based on a life-cycle approach that begins before our formal engagement with a client and continues throughout our relationship. **TD's Environmental and Social Credit Risk Process for Non-Retail Credit Business Lines** governs our processes for assessing risk and contains a set of due diligence tools that are applied to all non-retail lending activities, which include general-corporate-purpose, project and fixed-asset financing.

TD's environmental risk policies and associated risk assessment procedures are developed and refreshed regularly based on input from various industry sources, including ESG and, where applicable, corporate governance research firms that consult a wide range of stakeholders and consider generally accepted international agreements and standards in providing industry-standard risk guidance.

### Analyst Corner

- Lending Data ([page 85](#))
- TD's Environmental and Social Credit Risk Process
- List of Stakeholder Engagements on Environmental and Social Topics: ESG Reporting Details

Such procedures include:

- Every applicable borrower completes an **E&S assessment**. Real estate secured lending deals that meet internal risk thresholds also require environmental site assessments.
- We assess whether the borrower is engaged in any prohibited activities as per **TD's Prohibition List**. For a list of transactions that TD does not finance, please see page 2 of TD's Environmental and Social Credit Risk Process.
- Borrowers operating in industries with **higher inherent environmental and/or social risk** require additional industry-specific enhanced due diligence.
- Since 2007, we have **embedded the Equator Principles** into our E&S risk processes. For more details on our EP reporting, see page 1 of TD's Environmental and Social Credit Risk Process.
- Transactions that **score high for E&S risk** are escalated to TD's Environment and Social Risk Management team, which provides subject matter expertise, detailed review and recommendations for further action and escalation, as required.

<b>Introduction</b>	<b>+</b>
<b>Governance</b>	<b>+</b>
<b>Environmental</b>	
A Message From Our Head of Environment	39
Climate Change	40
Sustainable Finance	43
<b>Lending</b>	<b>44</b>
Investing	47
Responsible Resource Use	51
<b>Social</b>	<b>+</b>
<b>2020 Awards and Recognition</b>	
<b>2020 Performance Data</b>	
<b>SASB Index</b>	
<b>GRI Index</b>	
<b>Endnotes</b>	
<b>Acronyms</b>	
<b>Caution Regarding Forward-Looking Statements</b>	

### Performance in 2020

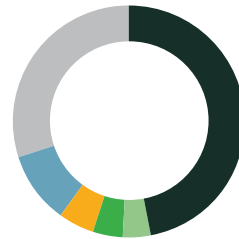
TD Securities announced the formation of the new Sustainable Finance and Corporate Transitions Group. The new group, which combines activities across corporate and investment banking and global markets, will be the central point for client coverage and provide thought leadership and strategic advice on sustainable finance. This coordination across TD Securities gives us the advantage of offering our clients advisory services and important transition and sustainability-focused financing globally.

We believe that we can contribute to climate solutions as investors and providers of capital. We can engage with the market and our clients to better understand their capital needs for a low-carbon transition. The new group will offer **advisory services** such as advice on sustainability and ESG reporting, **market access** through due diligence in mergers and acquisitions and private equity, and **products** such as sustainable bonds and sustainability-linked loans. We will engage with clients across key sectors, not just energy-intensive sectors, given that ESG risks and opportunities are integrated across the spectrum.

The work of the Sustainable Finance and Corporate Transitions Group will be instrumental in making progress toward TD's target to achieve net-zero GHG emissions in its operations and financing activities by 2050. Supporting clients in transition activities that result in a GHG reduction within their operations contributes directly to a reduction of TD's financed emissions.

#### TD Gross Credit Risk Exposure<sup>1</sup> (as at October 31, 2020)

**\$1,485 billion total**



**Breakdown**

- 47% Retail and Residential Real Estate
- 4% Non-Residential Real Estate
- 4% Natural Resources
- 5% Manufacturing and Transport
- 10% Retail and Service
- 30% Government

#### Exposure to Environmentally Sensitive Industry Sectors (approximately 9.7% of total exposure)

Non-Residential Real Estate	3.5%
Agriculture	0.6%
Forestry	0.1%
Metals and Mining	0.6%
Pipelines, Oil and Gas	1.7%
Power and Utilities	1.3%
Automotive	1.2%
Food, Beverage and Tobacco	0.7%

<sup>1</sup> See [TD's 2020-Q4 Supplemental Regulatory Disclosure, page 18](#). Excludes counterparty credit risk exposures to repo-style transactions and OTC derivatives.

#### TD Gross Credit Risk Exposure to Power Generation<sup>1</sup> (as at October 31, 2020)

**\$8.0 billion total**



- 54.4% Fossil-fuel based energy generation
- 44.2% Low-carbon energy generation
- 1.4% Other

Power generation is a subset of power and utilities and also includes customers from other industry sectors that generate power. It includes customers that generate power and excludes those that are purely involved in transmission and distribution or non-power generation. Calculated on a customer-by-customer basis using the most recent publicly available information on generation capacity (in megawatts) of energy source. Our total gross credit risk exposure to power generation was \$8.0 billion<sup>2</sup> as at October 31, 2020.

<sup>1</sup> Fossil-fuel-based generation includes natural gas, oil and coal. Low-carbon includes nuclear, hydroelectric and renewables (wind, solar and biomass). Generation that cannot be allocated to any of the listed generation types is included in other.

<sup>2</sup> Generation obtained through power purchase agreements is not considered. Also, fuel cell and other fuel storage projects are not included.

**Introduction** +

**Governance** +

### Environmental

A Message From Our Head of Environment	39
Climate Change	40
Sustainable Finance	43
<b>Lending</b>	<b>44</b>
Investing	47
Responsible Resource Use	51

**Social** +

**2020 Awards and Recognition**

**2020 Performance Data**

**SASB Index**

**GRI Index**

**Endnotes**

**Acronyms**

**Caution Regarding Forward-Looking Statements**

**Equator Principles**

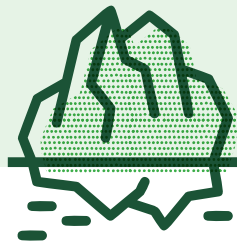
In 2020, TD completed two Equator Principles transactions, both of which were project finance transactions. More information on EP is available in the Risk Management section on [page 25](#).

**Arctic Circle Prohibition**

**Challenge:** Increasing Stakeholder Pressure on Arctic

**Response:** TD heard from stakeholders with various views on development activities in the Arctic Circle. In December 2019, TD met with representatives from the Gwich'in Nation to listen to concerns from the community about conserving the Porcupine Caribou Herd. We also received a shareholder proposal asking TD to explore a moratorium on financing development activities in the Arctic Circle.

On November 9, 2020, TD issued this statement: “The Arctic Circle is a unique and fragile environment, home to protected species, and of crucial importance to the local Indigenous populations. From a climate perspective, this area is warming significantly faster than the rest of our planet, which poses the risk of increased GHG releases and further warming. Given these facts, TD will not provide new project-specific financial services, including advisory services, for activities that are directly related to the exploration, development, or production of oil and gas within the Arctic Circle, including the ANWR.”



**Introduction** +

**Governance** +

**Environmental**

A Message From Our Head of Environment	39
Climate Change	40
Sustainable Finance	43
<b>Lending</b>	<b>44</b>
Investing	47
Responsible Resource Use	51

**Social** +

- 2020 Awards and Recognition**
- 2020 Performance Data**
- SASB Index**
- GRI Index**
- Endnotes**
- Acronyms**
- Caution Regarding Forward-Looking Statements**



# Investing

## Overview of ESG Integration

TD Asset Management Inc., Canada’s largest asset manager, directs more than \$328 billion in assets on behalf of retail and institutional investors. TDAM favours an integrated engagement approach to ESG factors and continues to contribute to the sustainability dialogue.

In 2008, TDAM became a signatory to the [UN Principles for Responsible Investment](#) (UN PRI) and was the first asset manager of a major Canadian financial institution to elevate its commitment to ESG assessment. In 2020, the UN PRI conducted an assessment of TDAM’s 2019 performance. **TDAM received an A+, the highest score for strategy and governance, and an A in all other categories in an assessment of its performance under the UN PRI.** The report is designed to provide TDAM with a sense of its standing among its asset management peers, a three-year performance trend and feedback to further its learning and development.

## Summary Scorecard

AUM	Module Name	TD Score	TD Score	Median Score
	01. Strategy & Governance	A+		A
<b>Indirect – Manager Sel., App. &amp; Mon</b>				
<10%	02. Listed Equity	Not reported		
<b>Direct &amp; Active Ownership Modules</b>				
10–50%	10. Listed Equity – Incorporation	A		A
10–50%	11. Listed Equity – Active Ownership	A		B
10–50%	12. Fixed Income – SSA	A		B
<10%	13. Fixed Income – Corporate Financial	A		B
<10%	14. Fixed Income – Corporate Non-Financial	A		B

We believe that as investors in a broad array of investment classes, we have a significant role to play in being a positive influence for continued improvement in ESG. We integrate ESG factors across our fundamental equities, quantitative equities, fixed income, and passive and alternative asset classes using a combination of approaches, including systematic ESG reviews, thematic ESG research, active ownership, issuer engagement and proxy voting. One hundred per cent of TDAM actively managed funds have ESG factors integrated into the investment decision-making. TDAM employs a three-pronged approach to assessing company risk that includes:

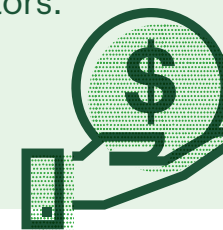
- **Investment analysis:** We integrate ESG factors into our equity and credit research to highlight risks and to provide insight about potential opportunities.
- **Engagement:** We engage directly and collaboratively with companies across a broad range of industries, meeting with company leaders to understand the potential impacts of ESG risks on their business and the processes they have in place to manage those risks. Our discussions cover the management of environmentally and socially sensitive issues such as carbon and other air emissions, water emissions, energy efficiency, safety and corporate governance. We also incorporate ESG-specific third-party research to complement our view of the underlying company.
- **Proxy voting:** Exercising our voting rights as a shareholder is one of the key ways we can positively influence environmental and social practices of the companies in which we invest.

## Analyst Corner

- Investing Data ([page 86](#))
- Principles for Responsible Investment and Engagement Report
- Sustainable Investment Approach
- TDAM Disclosures on Proxy Practices
- 2020 TD Green Bond (2017) Issuance – Use of Proceeds as at October 31, 2020
- TD Green Bond Framework
- TD Sustainable Bonds Framework



TD Asset Management Inc., Canada’s largest asset manager, directs more than **\$328 billion** in assets on behalf of retail and institutional investors.



**Introduction** +

**Governance** +

## Environmental

A Message From Our Head of Environment	39
Climate Change	40
Sustainable Finance	43
Lending	44
<b>Investing</b>	<b>47</b>
Responsible Resource Use	51

**Social** +

**2020 Awards and Recognition**

**2020 Performance Data**

**SASB Index**

**GRI Index**

**Endnotes**

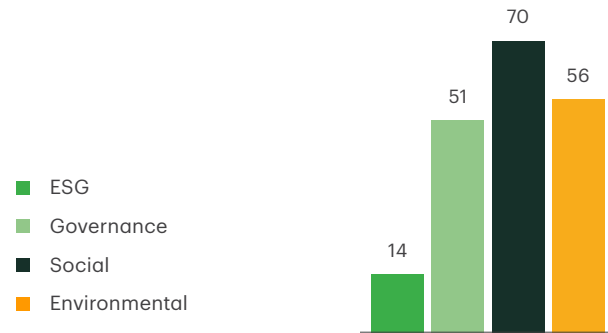
**Acronyms**

**Caution Regarding Forward-Looking Statements**

### Performance in 2020

- We continued to **score ahead of the median** of our peer group on the UN PRI Reporting Framework, first launched in 2013. The assessment allows TDAM to benchmark itself relative to industry peers and identify areas for improvement within TDAM's ESG Framework.
- We created a dedicated **ESG Research and Engagement team** so that we have consistency in our ESG approach across all asset classes to promote sustainability within our investments and across the larger investment industry. This team sets overall ESG objectives, advances ESG integration across TDAM and serves as an ESG-related resource for internal and external stakeholders.
- TDAM's **Credit Research team** evaluates ESG factors as part of a comprehensive credit review process for both corporate and government issuers. The team has created a proprietary ESG tool so that ESG risks are properly identified, characterized and calibrated in our analysis of fixed-income portfolios.
- We have implemented engagement planning with a focus on delivering meaningful and impactful engagement outcomes. In 2020, TDAM had **191 ESG-focused engagements** with companies (compared to 114 in 2019). These engagements covered a variety of topics, including executive compensation/remuneration, COVID-19 responses, community/employee relations, ESG disclosure, climate change, responsible resource use, board diversity and cybersecurity.
- Our investment teams conduct thematic, actionable ESG-related research with cross-sector impact, published white papers listed below in 2020 and contributed relevant research pieces to industry publications, including one on diversity and inclusion.
  - + Quantitative Equity Investing & Responsible Investing**
  - + Energy Advancement & Private Debt**
  - + Diversity & Inclusion: The Importance of Staying the Course (in RiskMinds)**
- As of October 31, 2020, approximately 32% of mutual funds and exchange traded funds (ETFs) managed by TDAM and eligible for Morningstar Sustainability Rating™ were **rated high or above average**<sup>40</sup> based on the Morningstar Sustainability Rating™.<sup>41, 42</sup>

### Number of ESG-Focused Engagements<sup>1</sup>



<sup>1</sup> An engagement may include more than one topic.

We are now a signatory to **Climate Action 100+**, an investor initiative that impels the world's largest GHG emitters to take necessary steps for their impacts on climate change.

TDAM is a member of the Responsible Investment Association (RIA) and an institutional investor signatory to the **RIA's Canadian Investor Statement on Diversity & Inclusion**. The statement acknowledges the existence of systemic racism and its impact on Black and Indigenous communities and People of Colour in Canada and globally and is targeted at establishing better D&I practices in investment processes.

### ESG-Oriented Funds

We have launched two new ESG-oriented investment funds that provide unique solutions to help investors achieve their financial goals while aligning their investments with their values to make a positive impact:

- TD North American Sustainability Equity Fund** is an active North American equity fund with a medium- to long-term focus that uses proprietary fundamental research to select high-quality businesses committed to making positive contributions toward the SDGs as set out by the UN.
- TD North American Sustainability Balanced Fund** is a core balanced fund that invests in a diversified portfolio of North American companies committed to addressing environmental and/or social challenges societies face today and making positive contributions toward the SDGs as set out by the UN.

**Introduction** +

**Governance** +

### Environmental

A Message From Our Head of Environment	39
Climate Change	40
Sustainable Finance	43
Lending	44
<b>Investing</b>	<b>47</b>
Responsible Resource Use	51

**Social** +

### 2020 Awards and Recognition

### 2020 Performance Data

### SASB Index

### GRI Index

### Endnotes

### Acronyms

### Caution Regarding Forward-Looking Statements

**Alternatives Assets**

At TDAM, our alternative asset class strategies have integrated ESG considerations into their respective investment practices. This enables us to capture ESG-related opportunities while mitigating potential risks throughout the investment life cycle. ESG integration begins during the asset selection period, where we employ checklists designed to identify all of the ESG risks and opportunities. Once an asset is acquired, its ESG performance is regularly monitored and reviewed. We view ESG integration as an ongoing undertaking and therefore are consistently looking to improve our processes. We view ESG integration as a fundamental component to managing real asset strategies and believe that it is integral in driving long-term performance.

**Real Estate:** The TD Greystone Canadian Real Estate Strategy (“the Real Estate Strategy”)<sup>43</sup> is committed to reducing its environmental footprint, being socially responsible and practising good governance. These broader commitments have led to specific ESG-related initiatives. Three key initiatives include:

- **Climate Change Risk Assessment:** We are currently investigating our climate change-related risk by conducting a portfolio-wide assessment. In the real estate sector, climate change related-risk can manifest as physical risks (such as flooding, water scarcity or extreme weather events), as regulatory risks (such as the impact of carbon pricing or the inability to lease buildings above a specified energy efficiency threshold) and as market risks (such as changing tenant demands for resilient buildings or the inability to insure buildings in an exposed area). We are positioning the Strategy to protect asset value and mitigate climate change-related risk by progressively managing the transition to the low-carbon economy.
- **Energy Reduction Target:** In keeping with our commitment to being a contributor to the low-carbon economy, we have also set a five-year energy reduction target for the Strategy. Performance targets are a widespread industry practice and have shown to drive significant improvement in energy efficiency. The target is to reduce total energy consumption of core assets in the portfolio<sup>44</sup> by a minimum of 12.5% by the end of 2022.

- **Building Certifications:** We remain committed to pursuing building certifications such as LEED, BOMA, Fitwel and WiredScore to promote tenant wellness and engagement. Currently, 52% of core properties in the Strategy are certified, up from 40% in the previous year.

**Infrastructure:** The TD Greystone Infrastructure Fund is committed to the integration and benchmarking of ESG throughout its portfolio. Infrastructure assets provide essential services to local economies that can have positive impacts on local communities. For example, the fund is significantly invested in renewable energy and has invested in Alberta and its transition to a low-carbon electrical system. Our recent investment in energy storage in Alberta will be Canada’s largest battery storage project, providing energy balancing and grid stability services that will support new renewable energy sources. In addition, the Fund owns an interest in a 500-kilovolt transmission line in Northern Alberta, in partnership with seven Indigenous communities, providing an example of how industry and Indigenous communities can work together to advance energy infrastructure.

**Global Real Estate Sustainability Benchmark (GRESB):** Both the TD Greystone Infrastructure and Real Estate strategies submit to the GRESB. The Real Estate Strategy has submitted to GRESB for five consecutive years, and we have seen a 37% increase in our score since the first submission five years ago. The Infrastructure Fund submitted for the first time in 2019 and has been recognized for being the first Canadian infrastructure fund manager member to provide a submission.

**The Road Ahead**

TDAM is committed to continued improvement of our responsible investment products and practices. To deepen sustainability within the proxy voting process, we intend to adopt a more comprehensive set of sustainability voting guidelines for the 2021 proxy voting season. In December 2020, we launched the **TD Morningstar ESG Index ETFs**, designed for investors looking to align socially responsible values while emphasizing large and mid-cap stocks with higher ESG ratings, as determined by Sustainalytics, relative to the respective benchmark.

**52%**

We remain committed to pursuing building certifications such as LEED, BOMA, Fitwel and Wired to promote tenant wellness and engagement. Currently, 52% of Core properties in the Strategy are certified, up from 40% in the previous year.



**Introduction** +

**Governance** +

**Environmental**

A Message From Our Head of Environment	39
Climate Change	40
Sustainable Finance	43
Lending	44
<b>Investing</b>	<b>47</b>
Responsible Resource Use	51

**Social** +

**2020 Awards and Recognition**

**2020 Performance Data**

**SASB Index**

**GRI Index**

**Endnotes**

**Acronyms**

**Caution Regarding Forward-Looking Statements**

# Green, Social and Sustainability Bonds

## Issuing

### US\$500 million

In 2020, TD Bank issued its inaugural US\$500 million sustainability bond maturing in 2023. This is the first bond to be issued under the Bank's Sustainable Bonds Framework. The proceeds from this issuance are intended to finance and/or refinance loans, investments and internal or external projects that meet the Sustainable Bonds Framework's criteria for being considered environmentally or socially responsible. Examples of projects that meet the Framework's criteria include green buildings, clean transportation, access to essential services (healthcare and education), affordable housing and other eligible categories as described in the Bank's Sustainable Bonds Framework.

TD had previously issued two green bonds, a \$500 million bond that matured in 2017 and a US\$1 billion bond that matured in 2020. With the two green bond issuances, TD has helped drive growth in the green bond market, bringing the total amount of green bonds issued to \$1.7 billion<sup>45</sup> since 2014.

#### Some of the projects funded by the 2020 TD Sustainability Bond issuance<sup>1</sup>

**Wataynikaneyap Power LP:** Build a transmission line connecting 17 First Nations communities in Northern Ontario to the provincial grid. The project, the first of its kind to be majority-owned by First Nations Communities, will help reduce the need to source power from diesel fuel and reduce GHG emissions.

**Finch West Light Rail Transit Project:** Expand transit in the Greater Toronto and Hamilton Area to give northwest Toronto a transit system that offers more transportation options.

**+ For detailed information on these projects, see the 2020 Sustainability Bond Use of Proceeds**

<sup>1</sup> Information and specifications, including expected benefits, have been provided by the project party.

#### Some of the projects funded by the 2017 TD Green Bond issuance<sup>1</sup>

**Rutherford GO Station Expansion:** Part of the GO Rail Expansion project to transform the transportation network in the Greater Toronto and Hamilton Area. Environmental benefits are expected to include reduced traffic congestion, GHG emissions and fuel consumption.

**Solar Power Generation:** Operate two rooftop solar facilities located in Ontario (limited partnership between the Mann group entity and a First Nation group) that is planned to provide annual renewable energy.

**+ For detailed information on these projects, see the 2017 Green Bond Use of Proceeds**

<sup>1</sup> Information and specifications, including expected benefits, have been provided by the project party.

## Investing

### \$1.8 billion

TD's Treasury and Balance Sheet Management team considers green, social and sustainability investments when compiling their investment portfolios for the Bank. Since 2014, TD's Treasury Group purchased approximately \$1.8 billion in green, social and sustainability bonds as part of managing the Bank's investment portfolio.

#### TD Bank Group ESG Investment Statement

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

## Underwriting

### Over \$35 billion<sup>46</sup>

led by TD Securities in green, social and sustainability bond underwriting since 2010

**Example:** TD Securities was an active bookrunner and sustainability advisor on Ivanhoe Cambridge's inaugural \$300 million green bond issuance, the first unsecured green bond transaction in Canada by a real estate entity. The bond's proceeds will finance eligible projects, including certified green buildings, renewable energy investments and clean transportation.

TD Securities has extensive experience in structuring and underwriting green, social and sustainability bonds. In fiscal year 2020, TD Securities expanded its capabilities with the launch of the Sustainable Finance and Corporate Transitions Group. The group builds on TD Securities' existing green, social and sustainability bond underwriting expertise, offering a dedicated resource for ESG advisory services to clients across the firm.

### Sustainable Bonds Framework

In 2020, TD established the [Sustainable Bonds Framework](#) to set forth a methodology for future issuance of sustainable bonds. The sustainable bonds that TD issues include one of or a combination of the following: green bonds, social bonds and sustainability bonds. These bonds are collectively known as sustainable bonds. The Framework was developed to be consistent with TD's goal of contributing to the 17 SDGs, and each impact area within the Framework aligns with specific SDGs. To provide transparency and reflect current best practices of sustainable capital markets, the Framework aligns with the International Capital Market Association Green Bond Principles 2018, Social Bond Principles 2020 and Sustainability Bond Guidelines 2018, all voluntary guidelines considered to be among the leading guidelines for the issuance of sustainable bonds.



# Responsible Resource Use

As a financial institution with a significant physical presence, we are aware that our facilities and business operations consume a range of natural resources and materials. TD has a long history of taking steps to minimize the environmental impacts of our buildings and operations, and we collect and review our data annually.<sup>47</sup> **In 2020, we maintained our carbon neutrality, reduced our scope 1 and 2 GHG emissions by 32%\*, reduced energy use by 17% and reduced water use by 14%,<sup>48</sup> all relative to our 2015 baselines.** With these results, we have achieved all our 2020 targets for GHG emissions reduction, energy consumption and water use reduction. Moving forward, TD will continue to aim for zero increase in directly metered water use by 2025, relative to the 2015 baseline.

Our key business units work in an integrated manner to reduce our operational footprint, and we review our strategy and report on how our performance measures up to our strategy at least annually to the ESG SET Forum. With the announcement in 2020 of the development of TD's new ESG Framework, we are recommitting our efforts to promoting the responsible and efficient use of resources through TD's operations and reach.

We intend to take steps to **encourage the transition from a linear economy to the circular economy** to reduce waste and to increase the efficient use of resources. A circular economy decouples economic activity from the consumption of finite resources by designing products to minimize waste and reintegrate products back into

production. The move to a circular economy will require innovation in both product design and business models to design out waste, keep products in service longer and find new uses for materials at end of life. Transitioning into a circular economy will foster a systemic shift that builds long-term resilience, generates business and economic opportunities and provides environmental and societal benefits. TD believes there is a role for financial institutions to play in this journey.

At TD, we are on a journey to significantly reduce the use of plastic across our operations. We started by significantly reducing our limited and single-use plastic branded merchandise; we have replaced less eco-friendly merchandise with sustainable merchandise made from Forest Stewardship Council/Sustainable Forestry Initiative (FSC/SFI) certified paper, recycled material and other sustainable apparel options. We continue to work with our suppliers to encourage them to use recycled kraft paper instead of foam or plastic wraps for packaging. **By 2025, TD will stop procuring single-use plastic products related to food and drink, specifically disposable dishes and utensils, cups, straws, stir sticks and food containers, as well as plastic bottled beverages in our vending machines and coffee & tea pods in our cafeterias.**<sup>49</sup>

## Analyst Corner

Responsible Resource Use Data  
([page 87](#))  
2020 GHG Emissions Assurance Statement



**By 2025, TD will stop procuring single-use plastic** products related to food and drink, specifically disposable dishes and utensils, cups, straws, stir sticks, food containers, as well as plastic bottled beverages in our vending machines and coffee & tea pods in our cafeterias.<sup>49</sup>



\* Corrected on July 28, 2021. We erroneously reported TD's scope 1 and 2 emissions reduction relative to our 2015 baseline as 41% on March 5, 2021. The actual reduction was 32%.

Introduction +

Governance +

## Environmental

A Message From Our Head of Environment	39
Climate Change	40
Sustainable Finance	43
Lending	44
Investing	47
<b>Responsible Resource Use</b>	<b>51</b>

Social +

2020 Awards and Recognition

2020 Performance Data

SASB Index

GRI Index

Endnotes

Acronyms

Caution Regarding Forward-Looking Statements

# Social



**Introduction** +

**Governance** +

**Environmental** +

**Social**

Financial and Economic Inclusion	53
Economic Value	56
Social Inclusion	58
Volunteerism	60
Responsible Sourcing	61
Customer Experience	63
Product and Service Responsibility	66
Diversity and Inclusion	69
Talent Attraction, Development and Retention	71
Health and Well-being	75

**2020 Awards and Recognition**

**2020 Performance Data**

**SASB Index**

**GRI Index**

**Endnotes**

**Acronyms**

**Caution Regarding  
Forward-Looking Statements**

# Financial and Economic Inclusion

## Why it matters to TD

We are acutely aware that TD’s long-term success as a business depends upon the prosperity and growth of all the communities we serve. The economic fallout from COVID-19 is intensifying, with young Canadians and diverse communities the hardest hit.<sup>50</sup> In the U.S., a third of millennials surveyed also confirmed that COVID-19 had a negative impact on their finances.<sup>50</sup> To help serve the varied needs of customers and help them reverse the negative impacts of the pandemic, TD is focused on addressing financial literacy, given the importance of financial literacy to financial health,<sup>51</sup> and helping foster financial inclusion and promote inclusive economic growth everywhere we operate.

## Our Approach

We believe that TD has an important role to play in helping people from all walks of life improve their confidence in their financial future by helping them build their financial knowledge. We work to embed financial health and education into our business practices and initiatives supporting our customers, employees and the communities we serve. Our financial education activities are overseen by an enterprise-wide Financial Health and Education Executive Steering Committee in Canada and by the Community Development Services team in the U.S. To deliver value to customers, shareholders and the community, we provide support to businesses across Canada and the U.S. In 2020, we provided COVID-19-related relief to businesses by supporting federal programs and through TD initiatives.



## Analyst Corner

Financial and Economic Inclusion Data (page 91)

TD Bank Learning Center

Change Machine

TD and Indigenous Communities Report



**Introduction** +

**Governance** +

**Environmental** +

## Social

**Financial and Economic Inclusion** 53

Economic Value 56

Social Inclusion 58

Volunteerism 60

Responsible Sourcing 61

Customer Experience 63

Product and Service Responsibility 66

Diversity and Inclusion 69

Talent Attraction, Development and Retention 71

Health and Well-being 75

**2020 Awards and Recognition**

**2020 Performance Data**

**SASB Index**

**GRI Index**

**Endnotes**

**Acronyms**

**Caution Regarding Forward-Looking Statements**

## Performance in 2020

### Encouraging Inclusion by Serving Diverse Customers

Our focus is on empowering our customers through providing products, services and tools to help improve access to financial services and help build financial stability. Examples include the following:

Diverse Customer	Products and Services
<b>Low-Income Customers</b>	<ul style="list-style-type: none"> <li>We offer a wide range of products and services, including low-fee chequing accounts, ATMs in low-income areas and, in the U.S., home mortgage programs such as Right Step and HomeReady.</li> <li>We open personal accounts regardless of whether a person is unemployed or is or has been bankrupt, subject to required conditions.</li> </ul>
<b>People With Disabilities (PWD)</b>	<ul style="list-style-type: none"> <li>TD incorporates accessibility standards for online and mobile channels, as well as the development of new platforms. Accessibility services are also an integral part of our customer-facing employees' training.</li> <li>When requested by customers, document and account statements can be produced in a variety of accessible formats, some of which include large print and Braille.</li> <li>New branches feature automated/accessible doors, vestibules and washrooms and wheelchair access to ATMs, vaults and service areas. Where possible, a minimum of one parking space is reserved for customers with disabilities.</li> <li>TD ATMs support audio guidance to help people with visual disabilities. Many of our ATMs also support keypad assistance, making it easier for customers with limited reach or mobility challenges.</li> </ul>
<b>Newcomers</b>	<ul style="list-style-type: none"> <li><a href="#">Newcomers to Canada</a> have access to a New to Canada banking package that includes a chequing account with no monthly fee for the first six months. TD also provides a credit card with no Canadian credit history required.</li> <li>We have over 6,000 ATMs across our North American footprint, with over 2,800 multilingual ones in Canada. The New to Canada website is available in 14 different languages, and our mobile banking app is available in simplified and traditional Chinese.</li> </ul>
<b>Indigenous Peoples</b>	<ul style="list-style-type: none"> <li>We offer a wide range of products and services to Indigenous communities, including the ability to use telephone banking in several Indigenous languages, through 1,100 locations, which include four branches on reserve.</li> <li>Our dedicated Indigenous Banking team works closely with internal business partners to help provide a comprehensive approach to serving Indigenous clients.</li> </ul>
<b>LGBTQ2+</b>	<ul style="list-style-type: none"> <li>Our LGBTQ2+ business development teams worked with the LGBTQ2+ chambers of commerce in Canada and the U.S. and held presentations and webinars for LGBTQ2+ small businesses on navigating COVID-19 by informing them of available information, resources and support.</li> <li>We have made all-gender restrooms the design standard for all our new and renovated branches across our North American footprint.</li> </ul>
<b>Women</b>	<ul style="list-style-type: none"> <li>We aspire to be the preferred bank for women entrepreneurs and are working to help facilitate their success and growth. To help them confidently build their businesses, we have created a new <a href="#">Women in Business</a> website, through which they can access advice, guidance and helpful connections, tools and resources. We have also created a <a href="#">Women and Wealth</a> website to help provide women with the experience, knowledge and advice they need to meet their goals today and in the future.</li> <li>We are collaborating with the Forum for Women Entrepreneurs to support women business owners by providing them with easier access to mentors who can help them grow their business. Through this collaboration, we are working to promote an environment where more women choose to become entrepreneurs.</li> </ul>
<b>Black/Minority Customers</b>	<ul style="list-style-type: none"> <li>We will expand our diverse business segment teams with a dedicated focus on Black communities and businesses in Canada. The teams have been staffed, funded and trained to bring TD to these communities and support their specific financial aspirations and needs.</li> <li>We have established a customer taskforce comprised of a cross-functional team to build and execute the strategy required for us to achieve our goal of being the bank of choice for Black communities and minority-owned businesses in the U.S. Some of the key areas of focus for the taskforce include increasing emphasis on improving home ownership in under-served communities, providing financial literacy programs and earmarking capital to support small businesses.</li> </ul>

**Introduction** +

**Governance** +

**Environmental** +

### Social

**Financial and Economic Inclusion** 53

Economic Value 56

Social Inclusion 58

Volunteerism 60

Responsible Sourcing 61

Customer Experience 63

Product and Service Responsibility 66

Diversity and Inclusion 69

Talent Attraction, Development and Retention 71

Health and Well-being 75

**2020 Awards and Recognition**

**2020 Performance Data**

**SASB Index**

**GRI Index**

**Endnotes**

**Acronyms**

**Caution Regarding Forward-Looking Statements**



## Financial Education

TD is a long-standing supporter of financial education.

### Canada

- In 2019, TD commissioned the [Financial Health Index](#), a benchmarking study to assess the overall financial well-being of Canadians.<sup>52</sup> The study found that, of the Canadians surveyed, almost a third are unable to pay all their bills on time, that nearly one in five are considered financially vulnerable and that certain groups struggle more than others to be financially healthy. The findings reinforce the need for TD’s suite of inclusive banking products and services and for our investment in initiatives that aim to improve the financial education of children, adults and small business owners.

- A 2020 TD-commissioned COVID-19 Impact Poll<sup>53</sup> found that the pandemic has significantly increased the financial insecurity of young adults, with 38% of Canadians surveyed now falling into the financially vulnerable category. During the 10th anniversary of **Financial Literacy Month** (November 2020), TD continued to provide access to effective digital tools, resources and advice to help Canadians, including students and young adults, become more financially confident and resilient.

- TD provides families and teachers in Canada with **Your Money Matters**, a classroom program to help participants learn how to develop healthy financial and money-management habits. Through the program, children can learn how to make informed decisions about money and think about how they spend and the potential impact on their future.

### U.S.

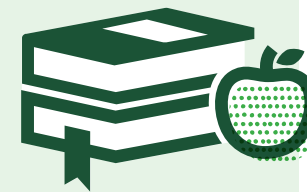
- TD Bank Learning Center (TDBLC)**, powered by EVERFI, a digital education company, offers a variety of learning modules, including topics on mortgages, credit scores and reports, elder fraud prevention, identity theft and small business. In April 2020, in response to COVID-19, TDBLC added new content, including modules on mortgage relief, budgeting and mindful living.

- TD Bank supports **Change Machine**,<sup>54</sup> an ecosystem of financial coaching and support strategies for social service organizations furthering financial education for unbanked and underbanked families. Change Machine has led to 4,500 financial coaching engagements for nearly 400 individuals in New Jersey, North Carolina and Florida.

- TD Bank continued its work with EVERFI to bring foundational financial skills to middle school students in Massachusetts, New Jersey and Florida through the **TD Financial Scholars Program**. The program offered students lessons on money through its Vault: Understanding Your Money series. As schools moved to virtual learning, there was increased demand, and the program was able to engage more than 1,000 students in 50 schools.

## Moving the needle on financial education for small business owners

Over the last three years, TD has partnered with the National Foundation for Credit Counseling (NFCC) to fund financial capability and credit counselling for small business owners across the U.S. TD’s US\$3 million investment in NFCC’s Sharpen Your Financial Focus program for small business owners gives participants access to specialized financial education coaching, educational resources and financial products and services. With TD’s support, the NFCC helped educate over 10,000 small business owners across 36 NFCC member agencies. TD and NFCC also collaborated to increase the capacity of institutions serving small business owners; i.e., “train the trainer” so that communities can benefit from the program even after it ends.



**Introduction** +

**Governance** +

**Environmental** +

## Social

**Financial and Economic Inclusion** 53

Economic Value 56

Social Inclusion 58

Volunteerism 60

Responsible Sourcing 61

Customer Experience 63

Product and Service Responsibility 66

Diversity and Inclusion 69

Talent Attraction, Development and Retention 71

Health and Well-being 75

## 2020 Awards and Recognition

### 2020 Performance Data

### SASB Index

### GRI Index

### Endnotes

### Acronyms

### Caution Regarding Forward-Looking Statements

# Economic Value

By maintaining a strong business with solid revenues, we can pay our employees fair wages and benefits, compensate our suppliers and support small, medium- and large-sized businesses. Our business strategy is to produce long-term profitable growth by building strong franchises to deliver value to our customers, colleagues, shareholders and the broader community.

## Strengthening Businesses During Uncertainty

In 2020, businesses across Canada and the U.S. have been hit hard by COVID-19.<sup>55</sup> We support commercial and small businesses across Canada and the U.S. through loans (new and existing) and other credit facilities and through offerings of bank accounts, merchant services and cash management services to help manage payments. In 2020, we have supported federal programs intended to help all businesses, and in particular, small businesses, which are often critical drivers of local economies, to recover and thrive in these challenging times.

<b>Canada</b>	<ul style="list-style-type: none"> <li>TD is committed to supporting businesses in Canada through product and service offerings and through the strong relationships that <b>Business Bankers</b> build with customers and communities. We have Business Bankers dedicated to different industry and demographic segments. By providing advice, access to financing and specialized services, we aim to help businesses find solutions to help them thrive and to be there for our customers through the economic cycle. We equipped our bankers with tools to help serve customers remotely during COVID-19.</li> <li>We participated in government COVID-19 support programs for businesses, including the Export Development Canada <b>Business Credit Availability Program</b>, the Business Development Bank of Canada <b>Co-Lending Program</b> and the Investissement Québec <b>Programme d'action concertée temporaire pour les entreprises</b>. These programs, designed to support small, medium and large commercial enterprises, provide additional liquidity to help offset the negative impacts of COVID-19.</li> <li>The <b>Canada Emergency Business Account</b> is a Government program, focused on keeping small and mid-sized businesses solvent and the economy moving. TD was able to mobilize its employees and technology assets to facilitate the disbursement of approximately \$7.3 billion to approximately 184,000 small business and commercial clients since April. In addition, we also deferred payments on thousands of term loans and facilitated a simplified process of a defined pre-approved deferral with specific terms for many of our loans to support our customers expeditiously.</li> <li>TD is establishing a new program to provide <b>early detection of business customers</b> potentially facing financial pressures and proactively reaching out to provide support and advice. This will be similar to the TD Ready Advice program offered in Canadian Personal Banking for individuals facing financial hardship. We expect to launch this new program in the first half of 2021.</li> </ul>
<b>U.S.</b>	<ul style="list-style-type: none"> <li>TD Bank launched the <b>Digital Application for Small Business</b> in mid-2018 for borrowing requests of up to US\$100,000. The platform proved to be invaluable to customers during the COVID-19 pandemic, when there was a dramatic shift in the summer months, with 74% of all customers applying online for loans. The program has supported our efforts to engage with LMI communities more effectively. Digital engagement is another way to reach underserved communities and underscores our commitment to bringing financial access and inclusion to all segments of society.</li> <li>TD Bank launched <b>TD Online Accounting</b> to provide a convenient, integrated payment and accounting experience for its small and closely held business customers to conduct banking and bookkeeping activities through TD's Small Business Online Banking platform.</li> <li>TD Bank was one of the U.S. Small Business Administration's (SBA) top participants in the <b>Paycheck Protection Program</b>, a program designed specifically by the U.S. government to help businesses affected by the COVID-19 pandemic. TD built and launched a customized digital PPP application and rapidly trained and cross-trained employees to evaluate and process applications. TD Bank funded approximately 86,000 PPP loans for approximately \$8.2 billion. The average size of the loan was approximately US\$100,000, and a majority of PPP loans from TD Bank went to small businesses.</li> <li>In the summer of 2020, TD Bank participated in the Federal Reserve Bank of Boston's <b>Main Street Lending Program</b>, helping commercial, middle-market, corporate and non-profit clients weather the uncertain environment brought about by the pandemic.</li> </ul>

**Introduction** +

**Governance** +

**Environmental** +

## Social

Financial and Economic Inclusion	53
<b>Economic Value</b>	<b>56</b>
Social Inclusion	58
Volunteerism	60
Responsible Sourcing	61
Customer Experience	63
Product and Service Responsibility	66
Diversity and Inclusion	69
Talent Attraction, Development and Retention	71
Health and Well-being	75

## 2020 Awards and Recognition

### 2020 Performance Data

### SASB Index

### GRI Index

### Endnotes

### Acronyms

### Caution Regarding

### Forward-Looking Statements

**Supporting Small Businesses**

For many small businesses, access to capital remains one of the greatest challenges, particularly when they are owned by women and/or minorities. To provide vital financial resources to such businesses, TD Bank, through the TD Charitable Foundation, supports microfinance organizations such as Accion and Grameen.

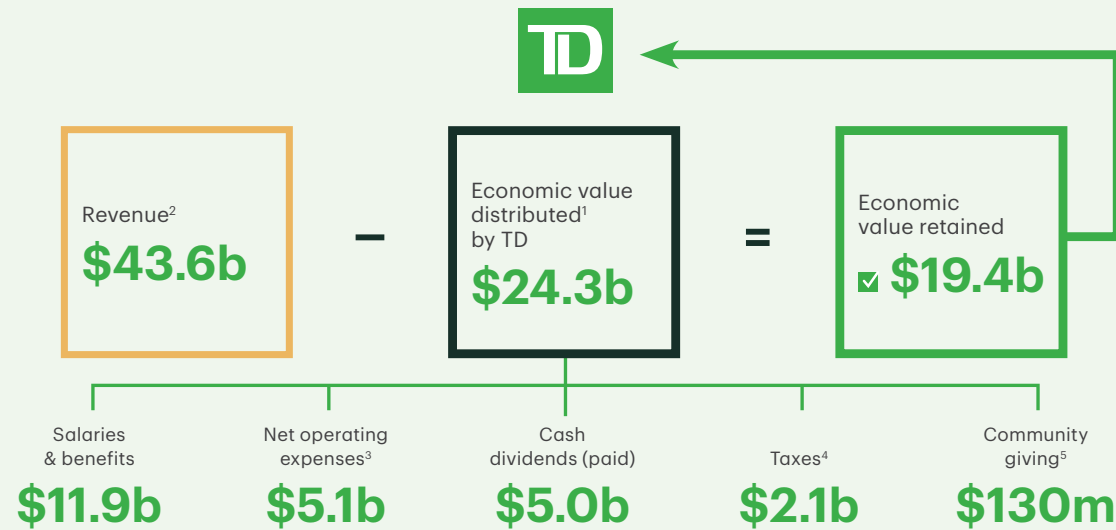
- **Accion** has provided microfinance loans to owners of the smallest businesses or micro-entrepreneurs<sup>56</sup> throughout the U.S. since 1991. In 2020, TD Bank increased Accion’s line of credit by \$900,000 to support Accion’s work with the SBA PPP loan program and contributed US\$300,000 for Accion’s Maine to Miami Small Business Lending and Financial Education Program, which is expected to provide over 5,800 small business owners across 14 states with critical counselling, business development tools and over US\$11 million in loan capital. From 2013 until September 30, 2020, referrals from TD Bank resulted in 383 entrepreneurs receiving US\$4.3 million from Accion. In 2020 alone, 21 small business owners received close to US\$190,000.
- With a US\$700,000 grant from the TD Charitable Foundation, **Grameen America**, under its Economic Relief & Recovery Fund, will provide direct relief to 500 small businesses across TD’s U.S. footprint. Of its existing 50,000 members, more than 90% of whom are Black and Latina women, fewer than 100 qualified for federal programs such as the PPP. The Economic Relief & Recovery Fund is therefore providing loan capital to businesses who otherwise would not have access to capital and might have limited access to a bank. This year, Grameen employed technology to deliver technical assistance to all business owners virtually. In addition, in 2019, TD Bank committed to a three-year US\$5 million line of credit to support Grameen’s microloan program to further assist women entrepreneurs who live in poverty to build better futures for their families. In 2021, Grameen plans to partner with the Community Development team at TD Bank to create a workshop in English and Spanish to deliver a series of small business and personal financial education webinars for their members.

TD’s community-oriented approach to helping small businesses grow was the foundation for launching the **TD For Me** pilot program in TD Business Banking. The program allowed small business merchant customers to extend a promotional offer to a network of TD customers through the TD For Me mobile app using geo-targeted push notifications. The TD For Me pilot program was designed to generate sustainable economic value for our small business customers by expanding their brand awareness and keeping their business top of mind within their community.

We help connect women entrepreneurs to the resources they need by highlighting these resources on our **Women in Business** website. Two examples include the following:

- **Futurpreneur Canada Side Hustle** program is supported by the TD Ready Commitment. Women entrepreneurs aged 18 to 39 running part-time businesses may be eligible for debt financing from Side Hustle up to \$15,000 to support the startup and growth of their microbusinesses.
- **The Big Push (TBP)** – In 2020, TD collaborated with TPB on the TPB’s accelerator program for women in technology, which offers entrepreneurs, especially tech startups at a pre-seed stage, free access to consultation and assessment of their business plans. TD also extended a special banking offer for members of the TBP.

**Economic Value Distributed<sup>1</sup>**  
(calculated using GRI methodology)



<sup>1</sup> The economic value retained calculation is defined by the [GRI standard](#). TD also earns and distributes economic value through other channels, including earnings from our investments, absorbing credit losses, covering our customers’ insurance claims, sharing revenue with our retail credit card partners, paying all operating expenses, and returning capital to shareholders through share repurchases. If these factors were included, net revenue would be \$44.8b, economic value distributed would be \$39.9b, and economic value retained would be \$4.9b.

<sup>2</sup> Amounts based on International Financial Reporting Standards. See the Bank’s [2020 Annual Report](#) for more information.

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

<sup>4</sup> Includes sales taxes, municipal and property taxes, insurance premium taxes, business taxes and capital taxes. Excludes \$602 million in payroll taxes, which are included in salaries and benefits for the purpose of this exhibit.

<sup>5</sup> Includes cash donations in North America and the U.K.

- Introduction** +
- Governance** +
- Environmental** +

**Social**

- Financial and Economic Inclusion 53
- Economic Value 56**
- Social Inclusion 58
- Volunteerism 60
- Responsible Sourcing 61
- Customer Experience 63
- Product and Service Responsibility 66
- Diversity and Inclusion 69
- Talent Attraction, Development and Retention 71
- Health and Well-being 75

- 2020 Awards and Recognition**
- 2020 Performance Data**
- SASB Index**
- GRI Index**
- Endnotes**
- Acronyms**
- Caution Regarding Forward-Looking Statements**

# Social Inclusion

## Why it matters to TD

TD works to support and help 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. There is the risk of significant reputational damage to companies that do not acknowledge and manage issues associated with inequality, racism and the pandemic. As a large financial institution, TD recognizes that it has a role to play in fostering the support and development of the communities in which it operates and in encouraging the advancement of a diverse and inclusive society.

## Our Approach

The TD Ready Commitment, launched in 2018, is an enterprise-wide platform that, among other initiatives, targets a total of \$1 billion in giving by 2030 that is focused on helping TD meet its purpose to enrich the lives of our customers, employees and the communities in which we operate. Through the four distinct and interconnected drivers – financial security, vibrant planet, connected communities and better health – our Corporate Citizenship Strategy helps support building a more inclusive and sustainable tomorrow in a differentiated, meaningful, authentic and measurable way. As part of the TD Ready Commitment, the TD Ready Challenge supports organizations developing innovative solutions for a changing world. This year, recognizing the immense impact of COVID-19 on society, we focused the Challenge to support innovative solutions that address the impacts of the pandemic.

## Strategic Philanthropy

### Helping Communities Thrive

#### Through Philanthropy

- The **TD Ready Commitment** targets \$1 billion in total philanthropic spending by 2030 to help open doors for a more inclusive and sustainable future. Grant application requests are approved by the Community Investment Committee in Canada and the TD Charitable Foundation in the U.S.
- In addition to TD’s regular charitable giving, we support grassroots environmental initiatives through the [TD Friends of the Environment Foundation](#).

#### Through Our Business – Shared Value

- TD Bank provides **community development loans and investments in underserved locations** in the U.S. to support local initiatives for low- to moderate-income (LMI) individuals and families that increase economic capacity.
- One investment program is the **New Markets Tax Credits (NMTC)**, a tax credit program operated through our wholly owned subsidiary, TD Community Development Corporation (TDCDC).
- In 2020, TDCDC provided **over US\$5.5 million in NMTC investment** toward the construction and opening of the International African American Museum in Charleston, South Carolina. The investment will help create 186 new full-time jobs with meaningful benefits in the community. The museum anticipates serving approximately 145,000 visitors and 20,000 low-income students on an annual basis.

## Analyst Corner

- Social Inclusion Data ([page 92](#))
- Apply for Funding Canada
- Apply for Funding U.S.
- TD Ready Commitment Report



**Introduction** +

**Governance** +

**Environmental** +

## Social

Financial and Economic Inclusion	53
Economic Value	56
<b>Social Inclusion</b>	<b>58</b>
Volunteerism	60
Responsible Sourcing	61
Customer Experience	63
Product and Service Responsibility	66
Diversity and Inclusion	69
Talent Attraction, Development and Retention	71
Health and Well-being	75

## 2020 Awards and Recognition

### 2020 Performance Data

### SASB Index

### GRI Index

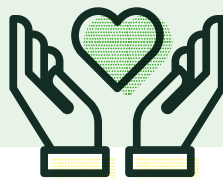
### Endnotes

### Acronyms

### Caution Regarding Forward-Looking Statements

To sharpen public and private attention to the Toronto region’s growing unaffordable housing problem, TD Wealth sponsors the research and development of a series by the Toronto Region Board of Trade and the WoodGreen Foundation. The first report, [Housing a Generation of Workers: Defining the Problem](#), was released in January 2020, and in November 2020, the *Housing a Generation of Essential Workers – Modelling Solutions* report was released. The report states that Toronto region’s housing challenge remain urgent and calls for essential workforce housing to become a priority for city planners and businesses if we want to keep our communities and economy growing.

**\$130+ million**  
total donations



**Income Stability**

TD is committed to helping create financial security and giving people the skills they need to feel confident that they can succeed, thrive and feel ready for the future in a time of new technological innovations.

- We are supporting the **Lifelong Learning: Core Success Skills program** at Ontario Tech University, an initiative aimed at training and validating the transferable skills of people facing career disruption. By attaining industry-recognized certifications, new employment avenues will open for participants.
- We are continuing to support the **TD-HELIX Transformation Initiative, Career Recharge**, Seneca College’s program that helps reskill and upskill career professionals at risk of job loss due to changes in the labour market.

**Affordable Housing**

The ongoing impact of COVID-19 continues to disproportionately hurt the most vulnerable populations, particularly those who rent, with over 40 million renters at risk of losing their homes in Canada and the U.S. TD is committed to helping to address this urgent problem by mobilizing investment and collaboration.

**Through Philanthropy**

- In Canada, we supported the **Chippewas of Nawash Rent-to-Own Housing development** at Neyaashiinigmiing First Nation Reserve No. 27 (Bruce Peninsula, Ontario) creating an 18-lot subdivision of rent-to-own housing over the next 5 to 6 years. This Indigenous driven initiative will help create safe and affordable housing for approximately 54% of the children in the Nawash community.
- In the U.S., the **Local Initiatives Support Corporation (LISC)** is an organization that works in affordable housing by providing technical assistance and training and by funding critical gaps in capital access for local partners. TD Charitable Foundation resources have helped LISC invest US\$108.1 million and leverage US\$770.9 million, which will result in the development and preservation of 2,380 affordable housing units.
- In the U.S., the annual **Housing for Everyone competition** will provide US\$4.9 million in grants to 32 local non-profit housing organizations to provide direct relief and supportive services with the aim of helping keep renters in their affordable units. Through this grant competition, we have awarded over US\$32 million to support approximately 500 affordable housing initiatives since its inception in 2005.

**Through Our Business – Shared Value**

- Through the Real Estate Strategy, TDAM on behalf of its investor clients has made a significant capital commitment to the **KingSett Affordable Housing LP (“the KS LP”)**. Over time, the KS LP’s investment objective is to build and own up to \$1 billion of high-quality apartment assets that deliver well-designed housing for working Canadians, as well as creating sustained long-term value growth and improving the communities we work and live in.
- TD Bank makes investments through community development loans and services to companies developing or preserving affordable housing in LMI areas. One such investment is through the **Low-Income Housing Tax Credits**, which benefit underserved communities to support new construction and rehabilitation of affordable housing for families, individuals and elderly residents.
- TD Bank is funding construction of an **affordable housing building** in Yonkers, New York, with a US\$35.3 million financing package that includes a US\$19.5 million letter of credit and US\$15.8 million in tax-credit equity. Our letter of credit serves as a backstop to bonds issued for the project by the New York State Housing Finance Agency. The building will include provisions to serve residents with special needs, and residents will benefit from a state rental-assistance program.

**Introduction** +

**Governance** +

**Environmental** +

**Social**

Financial and Economic Inclusion	53
Economic Value	56
<b>Social Inclusion</b>	<b>58</b>
Volunteerism	60
Responsible Sourcing	61
Customer Experience	63
Product and Service Responsibility	66
Diversity and Inclusion	69
Talent Attraction, Development and Retention	71
Health and Well-being	75

**2020 Awards and Recognition**

**2020 Performance Data**

**SASB Index**

**GRI Index**

**Endnotes**

**Acronyms**

**Caution Regarding Forward-Looking Statements**

# Volunteerism

## Making a Difference Through Volunteering

In 2020, we evolved the TD Ready Commitment Network, our community engagement hub, to include an array of virtual and contact-free volunteer opportunities. These opportunities included virtual volunteering and community leadership, colleague fundraising initiatives, virtual group experiences and online learning to help employees connect to their local communities during this exceptional time of need.

- Our employees have volunteered over 2,000 hours to help non-profit organizations across Canada and the U.S. leverage data and analytics through our **TD Mindpower: Analytics for Social Good** program. TD Mindpower pairs non-profit organizations with a team of TD data and analytics employees who volunteer their time and skills to help the organizations draw new insights and grow their community impact from data. The program, which was launched in 2018, has engaged over 400 volunteers and completed more than 20 projects in seven cities in Canada and the U.S.
- We invest time and money in support of financial education programs across our North American footprint. And we were able to continue offering our programs by making them virtual. For instance, our employee volunteers discussed key topics in the home-buying process in the U.S. at virtual educational events for potential homebuyers. In Canada, we continued our relationship with **Money Matters** – a free and now virtual program for adult learners that teaches topics such as banking, saving and building credit. All our programs strive to focus on underserved or disadvantaged communities – including the low-income, youth, Indigenous and newcomer communities.



**Analyst Corner**

Volunteerism Data ([page 94](#))

**80,000+<sup>1</sup>**  
volunteer hours

<sup>1</sup> In 2020, we had to severely curtail in-person volunteer opportunities to help ensure the safety of employees and the communities we serve. The significant disruption brought about by the pandemic caused us to miss our target of increasing our volunteering hours year over year. However, we have adjusted our operating model to focus on virtual and remote volunteer opportunities and remain committed to improving our volunteer hours in 2021.

<b>Introduction</b>	<b>+</b>
<b>Governance</b>	<b>+</b>
<b>Environmental</b>	<b>+</b>
<b>Social</b>	
Financial and Economic Inclusion	53
Economic Value	56
Social Inclusion	58
<b>Volunteerism</b>	<b>60</b>
Responsible Sourcing	61
Customer Experience	63
Product and Service Responsibility	66
Diversity and Inclusion	69
Talent Attraction, Development and Retention	71
Health and Well-being	75

<b>2020 Awards and Recognition</b>
<b>2020 Performance Data</b>
<b>SASB Index</b>
<b>GRI Index</b>
<b>Endnotes</b>
<b>Acronyms</b>
<b>Caution Regarding Forward-Looking Statements</b>

# Responsible Sourcing

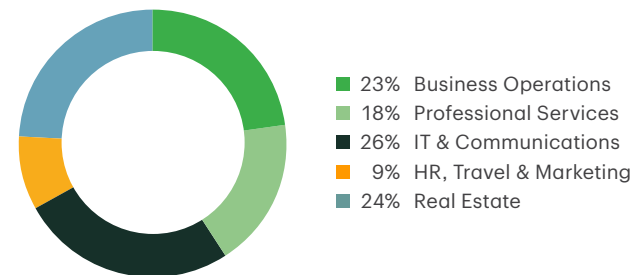
As a major purchaser, TD is committed to using our influence to drive strong ethical, social and environmental performance across our supply chains. TD's Strategic Sourcing Group works to ensure that we have a responsible and diverse network of suppliers who deliver high-quality and appropriate goods and services. We aim to buy products and services from suppliers who share our values and demonstrate responsible practices through strong sustainability programs.

## Performance in 2020

### Deepening Our Commitment to Embed Responsible Sourcing in Our Operations

- We spent approximately \$6.8 billion on the procurement of goods and services from third-party suppliers, of which the majority are based in North America. The following is a category spend breakdown for TD's supplier base in 2020.

### 2020 Spend on TD's Sourcing



- We performed an in-depth review of **TD's branded merchandise suppliers** and consulted with them on topics related to due diligence and social auditing, which includes a review of health and safety, social (human and labour rights) and environmental aspects of the manufacturing process. We have already set guidelines for our due diligence expectations and continue to work with our suppliers on these issues.
- We updated our **Supplier Code of Conduct** to better communicate to our suppliers our expectations regarding privacy of data and commitment to providing accessible products and services. As part of our responsible sourcing program, we performed enhanced due diligence on parts of our supply chain that are most relevant to ESG issues.

- In 2020, we assessed fewer suppliers according to our updated Supplier Code of Conduct (34 in 2020, compared to 197 in 2019). The reduced number is a reflection of the fluctuation in our assessments of suppliers who are significant from an ESG-issues perspective given that the assessments are dependent on the timing of sourcing initiatives and the ESG relevance of those goods and services. For example, in 2019, as part of our commitment against modern slavery and human trafficking, we engaged over 170 hotels to determine whether they had sufficient staff training and procedures to properly report suspected human trafficking on their premises. In 2020, as a result of our assessment, suppliers who were shown not to have adequate training have committed to implementing improvements.
- The **TD Carbon Supply Chain Program**, now in its fifth year, aims to engage suppliers to report their carbon emissions and to phase in reductions over time. In 2020, we asked 222 suppliers to respond to the program, with 58% of the respondents reporting on their carbon emissions.
- We also updated the TD Procurement Policy to include content related to the inclusion of certified diverse suppliers and to document our **inclusion of Certified B Corporations**.<sup>57</sup>
- TD placed on the **CDP Supplier Engagement Rating Leaderboard** with a rating of **A**. This rating assesses TD's performance on supplier engagement using our governance, targets, scope 3 emissions and value chain engagement responses in the CDP climate change questionnaire.

### Analyst Corner

- Responsible Sourcing Data ([page 94](#))
- Supplier Code of Conduct
- Prospective Supplier Website
- TD Inclusive and Sustainable Events Guide



**Introduction** +

**Governance** +

**Environmental** +

## Social

Financial and Economic Inclusion	53
Economic Value	56
Social Inclusion	58
Volunteerism	60
<b>Responsible Sourcing</b>	<b>61</b>
Customer Experience	63
Product and Service Responsibility	66
Diversity and Inclusion	69
Talent Attraction, Development and Retention	71
Health and Well-being	75

## 2020 Awards and Recognition

### 2020 Performance Data

#### SASB Index

#### GRI Index

#### Endnotes

#### Acronyms

#### Caution Regarding Forward-Looking Statements

**Encouraging Diversity in Our Supply Chain**

We have designed our North American Supplier Diversity Program to help promote a level playing field and encourage the inclusion of women, visible minorities, Indigenous Peoples, the LGBTQ2+ community, people with disabilities, veterans and other diverse suppliers in our procurement selection process. We are a member of nine diverse supplier organizations in North America that certify a supplier’s diversity credentials.

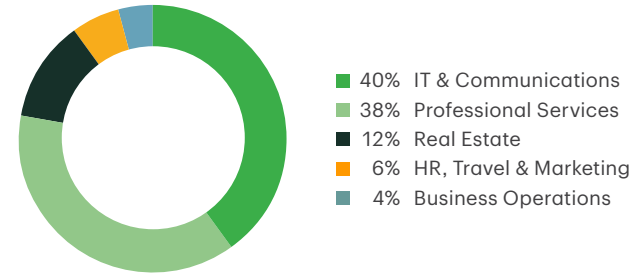
In 2020:

- We started tracking our spending with Certified B Corporations in our supply chain as part of our **Supplier Diversity Program**.
- We sponsored two PWD-owned businesses, through the **Disability:IN Tuck Scholarship**, to attend the Digital Excellence Program for Minority Entrepreneurs, a marketing program developed by the Tuck School of Business and Google. Over the three-day program, business owners can attend a range of programs, including constructing a digital strategy, marketing businesses online and managing a digital community, all of which are increasingly important for businesses in COVID-19 times.

- TD worked with **WEConnect International** in seven cities in Quebec on an exclusive program aimed at assisting women business owners to enter large supply chains by leveraging supplier diversity programs and certification. The program, which now covers all Canadian provinces, educates program participants on growth strategies and how to access and engage with corporate buyers.
- TD included **diverse-owned broker-dealers** in certain of its debt issuances to promote supplier diversity and direct revenue to diverse-owned firms.
- In 2020, we added **more primary (Tier 1) suppliers from Canada and the U.S.** to expand our Tier 2 reporting, where we survey our key Tier 1 suppliers on diversity spending within their own supplier networks.<sup>58</sup> This Tier 2 reporting informs our overall spending decisions and sends a signal to our primary suppliers that supplier diversity is important to us.



**2020 Diversity Spend by Category**



<b>Introduction</b>	<b>+</b>
<b>Governance</b>	<b>+</b>
<b>Environmental</b>	<b>+</b>

**Social**

Financial and Economic Inclusion	53
Economic Value	56
Social Inclusion	58
Volunteerism	60
<b>Responsible Sourcing</b>	<b>61</b>
Customer Experience	63
Product and Service Responsibility	66
Diversity and Inclusion	69
Talent Attraction, Development and Retention	71
Health and Well-being	75

<b>2020 Awards and Recognition</b>
<b>2020 Performance Data</b>
<b>SASB Index</b>
<b>GRI Index</b>
<b>Endnotes</b>
<b>Acronyms</b>
<b>Caution Regarding Forward-Looking Statements</b>



# Customer Experience

## Why it matters to TD

Customer experience has long been a competitive differentiator for TD. COVID-19 has shifted customer behaviour and expectations, especially those about digital banking. TD will continue to innovate and adapt to meet and exceed these evolving customer expectations. With the added anxiety caused by the pandemic, we know it is more important than ever for us to continue to respond to customer inquiries and complaints quickly and effectively. Banks that continue to lead in customer service will often economically outperform their peers, making it vital for TD to maintain and constantly improve our legendary customer service.<sup>59</sup>

## Our Approach

TD uses its Legendary Experience Index to measure its customer experience and drive insights to improve the experience in moments that matter most to customers. When the pandemic struck, it created significant disruption to our customers and our business operations. TD acted quickly so that we could continue to safely deliver necessary banking services to our customers. Our investments in technology infrastructure, cloud technology and cybersecurity allowed us to transition most of our workforce to work remotely in a short amount of time and continue to provide vital services to our TD customers safely and securely.

## Performance in 2020

### Delivering Legendary Customer Service

We leverage a best-in-class platform to contact customers within one business day to seek feedback regarding their most recent interaction with TD. LEI results are shared in real time with TD to improve performance, and customer feedback has a direct tie to a majority of Bank employees' variable compensation.

In the beginning of 2020, we were on track to exceed our LEI target by 1.5 points, with our results in March hitting an all-time high. When the COVID-19 pandemic hit, we introduced questions to our LEI survey to better understand how we could help our customers. Our response rates increased, and we were able to leverage customer feedback to shape our communications, FAQs, digital self-serve capabilities and COVID-19 landing page, which already had over 2.6 million visits. In just a few weeks, we were able to adjust our operating models to focus on the safety of our employees and customers, while continuing to deliver essential banking services to our customers.

The hard work of our employees helped ensure that even with the significant disruption brought about by the pandemic, we only narrowly missed our 2020 LEI target. **Moving forward, we continue to be focused on improving our LEI performance in 2021 and remain committed to delivering our legendary customer experiences and exceeding the high standards that our customers have come to expect from us.**



## Analyst Corner

- Customer Experience Data ([page 94](#))
- To Our Customers
- Problem Resolution Process
- Codes of Conduct and Public Commitments
- Office of the Ombudsman



**67.57**  
LEI<sup>1</sup> for 2020

<sup>1</sup> Legendary Experience Index – TD Composite Score



**Introduction** +

**Governance** +

**Environmental** +

## Social

Financial and Economic Inclusion	53
Economic Value	56
Social Inclusion	58
Volunteerism	60
Responsible Sourcing	61
<b>Customer Experience</b>	<b>63</b>
Product and Service Responsibility	66
Diversity and Inclusion	69
Talent Attraction, Development and Retention	71
Health and Well-being	75

## 2020 Awards and Recognition

### 2020 Performance Data

### SASB Index

### GRI Index

### Endnotes

### Acronyms

### Caution Regarding Forward-Looking Statements

### Improving Our Customer Experience Measurement Capabilities

- **Elevating Advice** – At TD, our customers turn to us for advice. To help us meet and exceed customer expectations we have developed additional questions about advice and are asking for feedback in more of the moments that matter most to them.
- **Improving Efficiency** – We use data and behavioural analysis, AI and text analytics techniques to deliver customer experience insights faster than ever before.
- **Deepening Understanding** – We continue to deliver customer journey mapping initiatives and competitive benchmarking to help business teams understand the moments that matter most to customers and identify opportunities for further investment.

### Resolving Customer Complaints

Our goal is to provide a smooth banking experience, but when customers experience problems, we are focused on resolving them with empathy and efficiency. We strive to resolve customer complaints on the front line through our First Contact Resolution. In 2020, as a result of COVID-19, customer complaints increased in March, with customers requiring help in accessing immediate financial relief (e.g., waiver/reduction of fees, rates and penalties and payment deferral support) and facing longer wait times. But even during peak times, we remained focused on customer complaints and irritants and addressing them effectively and efficiently at the first point of contact.

In Canada, if an issue is complex or a customer does not feel the matter is resolved, the concern may be escalated to TD’s Customer Care team. Despite the increased volumes brought about by COVID-19, over 80% of escalated complaints were resolved within one business day after customers spoke to a manager.

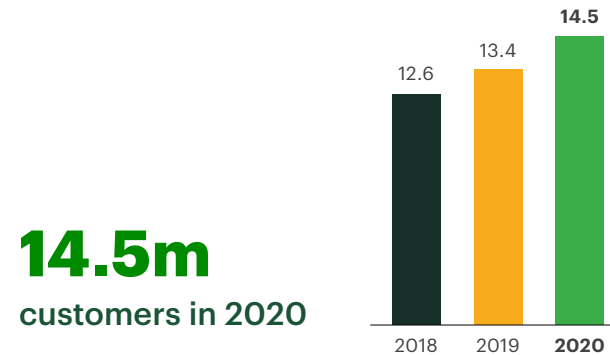
With more at stake for customers during a global pandemic, the volume of complaint escalations to the **TD Office of the Ombudsman** increased significantly during the year. There was a 41% increase in cases opened for investigation over the prior year. The top three complaints received in 2020 were related to possible fraud, product features and quality of service by the line of business.

In the U.S., the **Chairman’s Service Center** is responsible for complaint management and maintains a cross-functional framework for all customers, business lines and channels while keeping customer experience at the heart of problem resolution.

In 2020, there was an 8% decrease in the complaints referred to the Chairman’s Service Center, compared to a 15% decrease the previous year. Primary drivers of complaints regarding our branch and phone interactions were customer service, product knowledge/ misinformation and account discrepancy/error.



### Active Online and Mobile Customers (in millions)



**14.5m** customers in 2020

**Introduction** +

**Governance** +

**Environmental** +

### Social

Financial and Economic Inclusion	53
Economic Value	56
Social Inclusion	58
Volunteerism	60
Responsible Sourcing	61
<b>Customer Experience</b>	<b>63</b>
Product and Service Responsibility	66
Diversity and Inclusion	69
Talent Attraction, Development and Retention	71
Health and Well-being	75

### 2020 Awards and Recognition

### 2020 Performance Data

### SASB Index

### GRI Index

### Endnotes

### Acronyms

### Caution Regarding Forward-Looking Statements

## Digital Innovation

### Driving Legendary Customer Experiences Through Innovation

In 2020, we strove to deliver exceptional customer experiences and drove high levels of engagement through the following initiatives targeted toward both customary and specialized services that we provide to our customers:<sup>60</sup>

<b>COVID-19</b>	<ul style="list-style-type: none"> <li>• TD Bank launched a <b>virtual assistant</b> within its mobile app as a self-service tool to help customers get the answers they need quickly. The concept-to-production time was just three weeks, and the app has had over 1.3 million unique customer requests.</li> <li>• We introduced <b>AI-driven COVID-19 push notifications</b> to customers in Canada through our mobile app to provide advice and support and proactively identify customers who might benefit from TD and government relief programs.</li> <li>• Through <b>curbside pickup</b>, TD Bank offers customers an easy and fast means of receiving their debit cards.</li> <li>• We enhanced our existing functionality by adding <b>Virtual Queue</b> to support our current branch model in the U.S. This technology enabled our customers to check in to branches virtually and maintain physical distancing while waiting to be helped.</li> <li>• <b>TD Helps Support Finder</b> on our Canadian and U.S. websites provides customers and non-customers with one tool to find financial resources to navigate the pandemic.</li> </ul>
<b>Customer Access and Experience</b>	<ul style="list-style-type: none"> <li>• Our Canadian customers can send money in more ways to more international locations conveniently and securely using <b>TD Global Money Transfer</b>.</li> <li>• Through our online <b>TD Student Budget Calculator</b>, we provide students with a highly visual experience to assess their financial situation (costs versus savings) as they plan for their upcoming year at university or college.</li> </ul>
<b>Financial Advice, Planning and Security</b>	<ul style="list-style-type: none"> <li>• <b>TD MySpend</b>, our companion app with over 2.7 million enrolments, aims to empower our Canadian customers with real-time knowledge of where their money goes, allowing users to monitor their spending habits. The financial insecurity from the pandemic has led to increased adoption and engagement because of the app's ability to better support customers in managing their expenses.</li> <li>• We launched <b>Discovery Self-Serve</b> on our external website in Canada so that customers can conduct an online self-assessment and receive product recommendations based on their unique needs. Advisors can continue to use the Discovery Tool in branches with a customer.</li> </ul>
<b>Innovation</b>	<ul style="list-style-type: none"> <li>• <b>Layer 6</b> has continued its growth as TD's AI research division, helping to transform the banking experience for many of our over 26 million customers since its acquisition in early 2018. Since then, Layer 6 has developed novel AI-based approaches to customer and employee challenges. Leveraging our advanced data and analytics platform, Layer 6 has been able to apply advanced techniques to support business and corporate functions, including risk management, fraud and digital channels. Additionally in 2020 leveraging their significant talent pool and access to academic research opportunities, the team has provided support on external activities during the pandemic to understand and potentially mitigate the spread of COVID-19, as well as analyze the structure and mutations of the associated spike protein.</li> <li>• In the U.S., when the pandemic required branch closures, we provided over 11,000 employees with the ability to <b>send personalized assistance and advice</b> directly to our customers' phones.</li> <li>• TD Bank released a <b>virtual reality app</b> pilot to complement their retail banking app so that new customers can learn digital banking through gaming.</li> </ul>
<b>Security</b>	<ul style="list-style-type: none"> <li>• TD is a founding member of the <b>Financial Data Exchange (FDX)</b>, a U.S.-based industry consortium that promotes solutions to better protect customer data. FDX also launched in Canada in early 2020.</li> <li>• TD entered into a <b>data-access agreement</b> with Fincity that lays the groundwork for customers to request that TD transfer their financial data for services they want to use that are supported by Fincity, including personal financial management apps. The agreement signifies alignment between TD and Fincity about protocols to be followed by Fincity when accessing the customer's financial data, including transferring the customer's financial data through application programming interfaces.</li> </ul>

**Introduction** +

**Governance** +

**Environmental** +

### Social

Financial and Economic Inclusion 53

Economic Value 56

Social Inclusion 58

Volunteerism 60

Responsible Sourcing 61

**Customer Experience** **63**

Product and Service Responsibility 66

Diversity and Inclusion 69

Talent Attraction, Development and Retention 71

Health and Well-being 75

### 2020 Awards and Recognition

### 2020 Performance Data

### SASB Index

### GRI Index

### Endnotes

### Acronyms

### Caution Regarding Forward-Looking Statements

# Product and Service Responsibility

## Analyst Corner

Product and Service Responsibility Data ([page 95](#))

To Our Customers

Codes of Conduct and Public Commitments

Understanding Tied Selling

How We Protect You (Security Measures)

Our Privacy Commitments

2020 Public Accountability Statement – Seniors Code



We provide our customers with a wide range of options while maintaining responsible sales practices so that our customers can have confidence in their choices and long-term financial security. The New Business and Product Approval (NBPA) policy establishes consistent processes for the approval of any business activity undertaken to create a new product or service or to change an existing one, including associated technology, offered to customers. All businesses must follow the Bank NBPA policy as part of their change processes, which requires an inherent risk assessment that also assesses reputational (customer satisfaction) risk. When designing new products and services or changing an existing product or service, our development process can include consultation with customers and stakeholders to understand how these products and services will help meet our customers’ financial needs.

**Introduction** +

**Governance** +

**Environmental** +

## Social

Financial and Economic Inclusion 53

Economic Value 56

Social Inclusion 58

Volunteerism 60

Responsible Sourcing 61

Customer Experience 63

**Product and Service Responsibility 66**

Diversity and Inclusion 69

Talent Attraction, Development and Retention 71

Health and Well-being 75

## 2020 Awards and Recognition

### 2020 Performance Data

### SASB Index

### GRI Index

### Endnotes

### Acronyms

### Caution Regarding

### Forward-Looking Statements

## Performance in 2020

### Supporting Customers During COVID-19

TD has internally launched the **TD Ready Advice** centre, dedicated to working with our customers to help them proactively navigate their financial challenges during the pandemic. Through the centre’s outreach program, the team can proactively connect with customers experiencing heightened financial stress and deliver solutions or advice to help support them.

To help prevent the spread of COVID-19 and keep our customers and employees safe and healthy in our branches, we introduced health and safety measures critical in maintaining physical distance while still providing essential services. To help protect our customers, we focused on promoting and helping our customers learn about TD’s digital banking solutions, thereby reducing the need to come into a physical branch. We increased the use of electronic signatures to allow customers to sign documents remotely and made WebEx available so that customers could sign in remotely and receive virtual advice.

### Educating Our Customers With Clear Language and Communication

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

In Canada we continued our clear language journey in 2020 by launching eight of our core agreements using TD’s Clear Language Principles. We continue to work on our personal lending loan agreements and credit card account documents to further refine our clear language approach.

### Elevating the Quality of Advice by Developing Employee Expertise

In 2018, TD introduced **Future Ready** in Canada, an initiative designed to further develop employee expertise in providing advice to customers to increase customer confidence. In July 2020, we launched the following programs to reaffirm our commitment to elevating employee confidence:

- **Coach Ready** is our consistent and simplified approach to coaching. This new coaching platform has already registered over 33,000 coaching discussions since its launch.
- The **Coaching and On Demand Training program** gave over 11,000 advisors the opportunity to deepen their advice skills through webinars on topics related to financial hardship advising and virtual advice best practices.
- **Monthly Advisor Calls** provide access to senior leadership key messages tied to the economic landscape, customer advice and virtual advice best practices.

In 2019, TD Bank introduced the **#BeLegendary program** to promote excellence and operationalize the right behaviours to consistently deliver on the needs of our customers. In 2020, we rolled out the **Small Business #BeLegendary program**. This foundational program is intended to create role clarity and drive consistent behaviours among branch managers and small business specialists. The program aims to provide consistent customer experiences for our small business customers and helps us retain and expand our small business customer relationships.

### Promoting 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 and AML policies and compliance with regulatory requirements.
- Branch and phone-based sales representatives are trained to use discussion tools in their conversations with customers. These tools prompt employees to ask the customers questions to help determine their financial needs and suggest potential solutions to meet them.

In 2020:

- We continued to review and enhance our Performance Management Framework so that our employees are recognized and rewarded for doing the right thing for our customers.
- The CGC receives updates from the Bank’s Chief Compliance Officer on the status and effectiveness of the conduct risk program. The CGC, which oversees the Bank’s conduct risk program, provides regular reporting on the program to the Board.

Our **Enterprise Conduct Risk Management program** within Global Compliance is responsible for the enterprise governance model for conduct risk management. Through the Board-approved TD Conduct Risk Management Policy, ECRM has established the requirements for managing conduct risk across TD to reinforce proper business conduct and market conduct practices and to promote a culture of high integrity at TD.

Our **employee incentive and reward programs** support TD’s values and incorporate features that are aligned with the desired behavioural outcomes, anchored in integrity and ethics. This includes a balanced approach to our programs, which may include a variety of factors, such as customer experience and both team and individual performance, with an ability to adjust both compensation pools and individual incentive and reward decisions based on employee behaviour.

**Introduction** +

**Governance** +

**Environmental** +

## Social

Financial and Economic Inclusion 53

Economic Value 56

Social Inclusion 58

Volunteerism 60

Responsible Sourcing 61

Customer Experience 63

**Product and Service Responsibility 66**

Diversity and Inclusion 69

Talent Attraction, Development and Retention 71

Health and Well-being 75

## 2020 Awards and Recognition

### 2020 Performance Data

### SASB Index

### GRI Index

### Endnotes

### Acronyms

### Caution Regarding Forward-Looking Statements

**Protecting Our Customers**

TD continues to carefully follow and assess the changes advanced by Bill C-86, the federal Financial Consumer Protection Framework, which aims to promote responsible conduct across Canadian financial institutions and protect financial services customers.

We pride ourselves not only in being responsible but also in equipping our customers through multiple channels with the tools and services needed to protect their finances now and in the future by doing the following:

<b>Securing Accounts</b>	<ul style="list-style-type: none"> <li>We promote smart online usage by offering information and tips to customers to help recognize and prevent fraud through our TD website and mobile apps.</li> <li>We send customers text messages through TD Fraud Alerts to notify them of suspicious activity made with their TD Access Card for their personal accounts.</li> </ul>
<b>Mitigating Consumer Risk</b>	<ul style="list-style-type: none"> <li>TD's Fair Banking Policy supports our mission of mitigating the risk to the consumer in the U.S.</li> <li>It focuses on key areas where we monitor our effectiveness for our customers:                             <ul style="list-style-type: none"> <li>Accepting applications</li> <li>Marketing and advertising</li> <li>Developing and delivering products and services</li> <li>Operations</li> <li>Third-party service providers</li> <li>Loan decisioning process, pricing process, servicing and loss mitigation</li> <li>Compliance with laws that prohibit redlining and reverse redlining and model usage</li> </ul> </li> <li>It adopts a Complaint Policy that enables TD to capture our customer pain points so that they can be understood and resolved.</li> </ul>
<b>Helping Seniors</b>	<p>We are aware that seniors often have unique financial needs, and TD has created an external web page to provide them with resources to help them address these needs. Some of the ways in which we are helping seniors are listed below:</p> <ul style="list-style-type: none"> <li>Financial fraud is often directed at seniors. We have a formal scam escalation process to leverage the attentiveness of front-line staff to better protect our customers. This year, we have helped prevent customers from sending approximately \$5 million in scams, including romance scams. Romance scams tend to generally target older customers, occur over longer periods of time and have larger dollar values.</li> <li>TD has implemented the requirements to meet the Code of Conduct for the Delivery of Banking Services to Seniors ("the Code") to guide Canadian banks in their delivery of banking products and services to Canada's seniors. While many of our practices already reflect the principles outlined in the Code, we have acted to strengthen our ability to address the unique financial needs and other issues affecting seniors and will continue to enhance our programs for seniors.<sup>61</sup></li> </ul>
<b>Preparing for the Future</b>	<ul style="list-style-type: none"> <li>We offer multiple products, services and arrangements, including facilitating the Canada Learning Bond (CLB), to incentivize our customers to save. For example, including the CLB grant in our registered education savings plans incentivizes low-income families to accumulate savings for their children's future education.</li> <li>To help our personal and small business customers facing uncertainty and financial hardship, we offer credit and repayment solutions. These measures help them avoid expensive alternative financing methods and help us retain their business and avoid potential losses.</li> </ul>

**Introduction** +

**Governance** +

**Environmental** +

**Social**

Financial and Economic Inclusion	53
Economic Value	56
Social Inclusion	58
Volunteerism	60
Responsible Sourcing	61
Customer Experience	63
<b>Product and Service Responsibility</b>	<b>66</b>
Diversity and Inclusion	69
Talent Attraction, Development and Retention	71
Health and Well-being	75

**2020 Awards and Recognition**

**2020 Performance Data**

**SASB Index**

**GRI Index**

**Endnotes**

**Acronyms**

**Caution Regarding Forward-Looking Statements**

# Diversity and Inclusion

## Why it matters to TD

For TD, diversity and inclusion have been a strategic priority for over a decade. Recent events, including the pandemic and horrific incidents of anti-Black racism, have affected our customers, employees and communities we serve. These events have reinforced the importance of D&I as a core value and a business imperative for us. Organizations that have cultivated and embedded diversity and inclusion foster innovation and creativity, widen the talent pool, increase employee satisfaction and outperform their peers financially.<sup>62</sup> The leaders of the future will be known not only for cultivating an inclusive workplace, but also for providing inclusive customer experiences and for being advocates for creating an inclusive society.

## Our Approach

Over the past decade, we have achieved progress in advancing D&I across TD. This year, with the disproportionate impact of COVID-19 and social unrest, there is a heightened focus not just on diversity at TD, but on advancing our culture of inclusion. In 2019, we launched a new D&I strategy aligned with TD's strategic narrative of having a proven business model and being a purpose-driven and forward-focused organization. This D&I strategy is multi-pronged with multiple stakeholders and multiple areas of focus. Recognizing that Black communities have long faced systemic racism in society, we introduced a Black Experiences area of focus and set targets to increase the representation of Black, Indigenous and other minority professionals within TD. We monitor representation of under-represented groups on a regular basis, with a focus on our workforce continuing to represent the diverse communities we serve.

## Building a Diverse and Inclusive Organization

We developed an inclusive leadership strategy to reinforce the value of inclusion, and through a number of learning and development programs, to help our managers to develop actionable strategies to engage and leverage the full potential of diverse teams and minimize negative consequences resulting from unintentional bias.

Some of the initiatives and programs that support a diverse and inclusive organization are listed below.

- Our **Inclusive Leadership curriculum** has helped educate over 3,000 people managers in Canada and the U.S. about how to identify biases and non-inclusive behaviours. In addition, our inclusive leadership resource guide supports learning and development specialists in their efforts to build D&I messaging into business-specific training.

## Analyst Corner



- Diversity and Inclusion Data ([page 95](#))
- Code of Conduct and Ethics
- Our Commitment to Diversity
- Employment Equity Report – Canada only
- TD and Indigenous Communities in Canada

- Through TD Thrive, our learning platform, we provide a **Diversity and Inclusion-Lead Yourself-Thrive Pathway**, that provides employees with the opportunity to enhance their understanding of D&I and to build the skills they need to learn and thrive today and in the future.
- The second annual global D&I Summit – **Better Together** – invited colleagues from across the organization to participate in a virtual conversation with leaders on the topic of D&I. The event, attended by over 6,000 colleagues in 2020, underscored our strong commitment to D&I, with employees, including our Bank President and CEO and the Global Head of D&I, sharing their life experiences and providing insights to further strengthen inclusion at TD.
- Annual festivities, colleague storytelling, learning opportunities and speaker events support key celebrations such as **Pride Month, National Indigenous History Month and Black History Month**. This year, we transitioned to virtual platforms to maintain colleague engagement and connect as a community.

Introduction +

Governance +

Environmental +

## Social

Financial and Economic Inclusion	53
Economic Value	56
Social Inclusion	58
Volunteerism	60
Responsible Sourcing	61
Customer Experience	63
Product and Service Responsibility	66
<b>Diversity and Inclusion</b>	<b>69</b>
Talent Attraction, Development and Retention	71
Health and Well-being	75

## 2020 Awards and Recognition

## 2020 Performance Data

## SASB Index

## GRI Index

## Endnotes

## Acronyms

## Caution Regarding Forward-Looking Statements

## Performance in 2020

### Supporting Diverse Colleagues Through Mentorship, Training and Education, and Employee Events

Diverse Colleagues	Selected Initiatives
<b>Women</b>	In 2019, we expanded our accelerated sponsorship program within the Commercial Banking segment in the U.S., <b>Leadership, Engagement, Achievement and Development (L.E.A.D.)</b> , into the Corporate and Specialty Banking sectors. L.E.A.D. is a sustainable development vehicle that focuses annually on helping high-performing women achieve their goals. The program became virtual in 2020.
<b>LGBTQ2+</b>	The <b>Proud to Lead</b> program supports the unique needs of emerging LGBTQ2+ leaders to enhance their confidence and capabilities as visible role models. As part of the program, participants engage in action learning projects, supported by guidance from TD mentors.
<b>Visible Minority (Canada)/ Minority (U.S.)</b>	<b>Visible Leadership</b> , an intensive two-day program, helps visible minority colleagues achieve their full potential by strengthening their ability to lead and inspire. The program combines communications theory, facilitated discussion, executive participation, in-class workshops, role-playing and self-analysis.
<b>Black</b>	We established an enterprise-wide <b>Black Experiences</b> area of focus within our D&I program, expanded the <b>Black Employee Network</b> in the U.S. and initiated enhanced Bank-wide training programs, including <b>Understanding Black Experiences</b> and <b>Anti-Black Racism</b> .
<b>Indigenous Peoples</b>	In June, we launched <b>Indigenous Cultural Awareness Training</b> , which is required for all colleagues in Canada. This e-learning module helps increase colleagues' foundational understanding of Indigenous communities and enhance their confidence in supporting colleagues and customers from Indigenous communities and understanding TD's commitment to truth and reconciliation. <sup>63</sup>
<b>PWD</b>	We launched a <b>TD Thrive pathway focused on accessibility</b> to make TD a more inclusive workplace for all. The pathway features a collection of resources that inform employees about accessibility and the ways in which colleagues can make TD a more accessible and inclusive organization.
<b>Veterans</b>	TD hosted its first enterprise-wide <b>Veterans Summit</b> in November 2019 in the U.S. With the theme of Valuing Veterans in the Workforce, we brought together veterans, people managers and senior leadership for a discussion on hiring veterans, personal experiences and transitioning veterans into the civilian workforce.

**TD Bank is Now Signatory to Joint Investor Statement on Corporate Disability Inclusion**

TD Bank, America's Most Convenient Bank® has signed on to the Joint Investor Statement on Corporate Disability Inclusion.

**TD reached its goal of 40% women in VP+ roles in Canada<sup>1</sup>**

<sup>1</sup> TD will disclose the 2021 target for women in Canada in its 2021 ESG report.

**34%**  
Percentage of women in technology positions

<b>Introduction</b>	<b>+</b>
<b>Governance</b>	<b>+</b>
<b>Environmental</b>	<b>+</b>
<b>Social</b>	
Financial and Economic Inclusion	53
Economic Value	56
Social Inclusion	58
Volunteerism	60
Responsible Sourcing	61
Customer Experience	63
Product and Service Responsibility	66
<b>Diversity and Inclusion</b>	<b>69</b>
Talent Attraction, Development and Retention	71
Health and Well-being	75
<b>2020 Awards and Recognition</b>	
<b>2020 Performance Data</b>	
<b>SASB Index</b>	
<b>GRI Index</b>	
<b>Endnotes</b>	
<b>Acronyms</b>	
<b>Caution Regarding Forward-Looking Statements</b>	



# Talent Attraction, Development and Retention

## Why it matters to TD

Our ability to attract, develop, deploy and retain the best diverse talent is critical to maintaining our legendary customer experience. As individuals are focused on working for organizations that align with their values, we at TD believe it is our purpose to empower employees to grow their skills, gain perspectives and create impact at work and in their communities.

## Our Approach

At TD, we are committed to providing our people with an inclusive environment within which they can engage in meaningful and fulfilling work. Our Diversity Sourcing team focuses on attracting top talent from diverse communities in alignment with an enterprise-wide talent acquisition strategy. TD invests to help employees build the skills they need to learn and grow today and for the future. We are building programs and platforms to upskill our workforce and assist employees as they transition into new roles as the banking industry evolves. At TD, we measure our performance through our employee engagement score and voluntary turnover rates. And we provide an ethical culture, competitive benefits and meaningful work standards and policies and strive to be a workplace that is responsive to the needs of our employees.



TD has committed to doubling the representation of Black executives by 2022 and made a broader and longer-term commitment to increase minority executive representation across the Bank by 50% by 2025. This will include a specific focus on Black and Indigenous talent.<sup>1</sup>

<sup>1</sup> TD will report on the progress against these targets starting in the 2021 ESG report.



## Analyst Corner

Talent Attraction, Development and Retention Data ([page 97](#))

- Our Commitment to Diversity
- Campus Recruitment
- Developing Leaders
- Training and Development



Introduction +

Governance +

Environmental +

## Social

Financial and Economic Inclusion	53
Economic Value	56
Social Inclusion	58
Volunteerism	60
Responsible Sourcing	61
Customer Experience	63
Product and Service Responsibility	66
Diversity and Inclusion	69
<b>Talent Attraction, Development and Retention</b>	<b>71</b>
Health and Well-being	75

2020 Awards and Recognition

2020 Performance Data

SASB Index

GRI Index

Endnotes

Acronyms

Caution Regarding Forward-Looking Statements

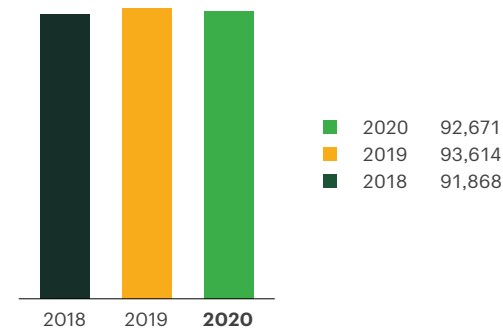
### Attracting a Diverse and Inclusive Workforce

We have a team dedicated to sourcing and attracting a diverse workforce. We value diversity and are committed to recruiting visible minorities/minorities, people with disabilities, women, Indigenous Peoples, veterans and members of the LGBTQ2+ and Black communities. We work to attract and develop next-generation professionals by offering paid internships, rotational programs and management associate programs.

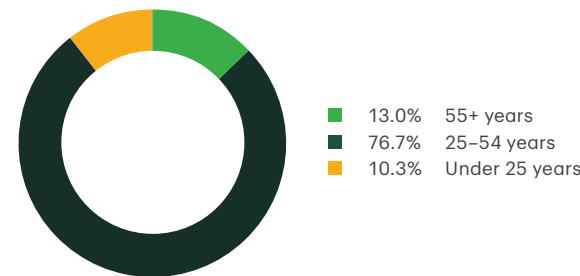
In 2020, some of our initiatives to attract a diverse workforce included the following:

Diverse Colleagues	Recruitment Initiatives
<b>Women</b>	To increase the participation and leadership of women and girls in science, technology, engineering and mathematics, we collaborate with the Women in Technology (WIT) group and organizations such as #MoveTheDial, the Black Professionals in Tech Network (BPTN) and the Ontario Network of Women in Engineering. In 2020, WIT organized #MoveTheDial TD Stories events, expanded participation in the accountability circles mentoring program and launched a virtual WIT networking series.
<b>LGBTQ2+</b>	To help drive career opportunities for LGBTQ2+ talent, TD supported the Pride at Work events and the Start Proud – Out on Bay Street career conference in Canada. Our executives and colleagues participate in panels on the LGBTQ2+ workplace experience at TD in business case competitions, in mentoring initiatives and in partnerships with student organizations.
<b>Visible Minority (Canada)/ Minority (U.S.)</b>	We work with Ascend Canada, an organization that works to promote current and future business leaders from Pan-Asia. Our work with Ascend Canada helps us build and develop a highly engaged pool of potential applicants.
<b>Black</b>	In 2020, we supported Black Hxouse as a founding sponsor. This leadership and entrepreneurial initiative aims to help Black, Indigenous and visible minority individuals gain access to mentorship, networking and job opportunities. We also have strong working relationships with groups such as the BPTN in Canada and Urban Leadership Forum in the U.S. to help us reach our commitment to increasing Black representation within TD.
<b>Indigenous Peoples</b>	The TDI Indigenous Internship Program is specifically designed for young Indigenous professionals to gain insights and hands-on experience in the insurance business. The interns connect with TD professionals, including Indigenous colleagues and interns, and grow their networks in TD's inclusive environment.
<b>PWD</b>	Our work with Specialisterne Canada to employ professionals who identify with autism or other forms of neurodivergence has led to over 40 hires over the past four years. This year, we expanded the program into the U.S. by developing a pilot project within our technology department.
<b>Veterans</b>	We increased our focus on hiring veterans and creating an inclusive environment where our veteran colleagues can thrive. We boosted recruitment efforts in the U.S. by working with two national organizations – Hirepurpose and RecruitMilitary – in addition to our existing U.S. relationship with JobPath.

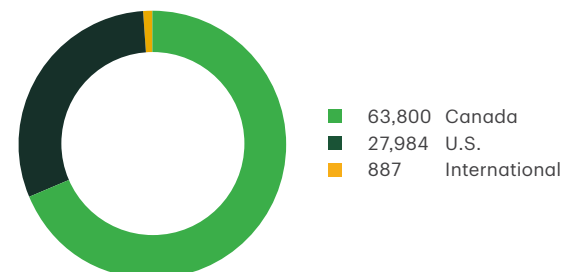
### Number of Employees



### Employee Age Profile



### Employees by Regions



<b>Introduction</b>	<b>+</b>
<b>Governance</b>	<b>+</b>
<b>Environmental</b>	<b>+</b>

### Social

Financial and Economic Inclusion	53
Economic Value	56
Social Inclusion	58
Volunteerism	60
Responsible Sourcing	61
Customer Experience	63
Product and Service Responsibility	66
Diversity and Inclusion	69
<b>Talent Attraction, Development and Retention</b>	<b>71</b>
Health and Well-being	75

### 2020 Awards and Recognition

### 2020 Performance Data

### SASB Index

### GRI Index

### Endnotes

### Acronyms

### Caution Regarding Forward-Looking Statements

### Developing Human Capital at TD

We invest to help employees build the skills they need to learn and grow today and for the future. Our development programs are anchored in the skills and capabilities critical to TD and curated for the unique needs of our employees.

### Performance in 2020

#### Investing in Training and Development

In 2020, we invested \$72.1 million globally in training and developing our employees.<sup>64</sup> The average number of days of training invested per person decreased from 7.2 to 5.3 days.<sup>65</sup> Employees also receive individual performance reviews and have regular development planning discussions with leaders.

#### Reskilling Our Workforce

TD Thrive is a web-based development platform that helps empower our employees to self-select the skills and capabilities they need to learn and grow today and well into the future at their own pace. In 2020:

- We launched **Digital Literacy @ TD**, a learning program that provides a foundational understanding of the digital trends and technology that are shaping the bank of the future – AI, the cloud, open banking – and focuses on technology areas relevant to all employees.
- We invested in **Enterprise Skill Assessment tools** to objectively help employees understand their skill strengths and opportunities for more meaningful career development conversations with leaders.
- We deployed **curated learning content** critical to different businesses such as product management, wealth operations, marketing and data and analytics.

Overall, there was a 75% increase in the total number of active users in TD Thrive.<sup>66</sup> In addition, compared to last fiscal year, there was a 79% increase in the content viewed and a 107% increase in content shared with other users.

### Developing Our Leaders at Every Level

We continue to invest in training so that employees receive best-in-class learning while working remotely. Key highlights include:

- Virtualizing **Activate**, our flagship leadership development program, which provides people managers with the tools and knowledge they need to transition quickly and smoothly within their first six months.
- The **Leading Better Together** internal leadership series, which uses storytelling from TD leaders to share advice and supplemental learning resources to the 11,000 people managers across TD.
- Converting **TD Securities Global Orientation Workshops** for analysts and associates to virtual programs and enabling the businesses to successfully meet their 2020 goal of onboarding 80 new participants.

### Building Our Leadership Pipeline

We make additional targeted investments in an annually identified pool of diverse, promising leaders to accelerate their development and prepare them for more senior roles. Our programs are having a demonstrated impact, resulting in a 90% retention rate, 52% promotion rate and stronger succession benches. We have evolved and expanded our programs to reach all levels, including the following:

- **Ignite** provides select high-potential VPs with an 18-month experience focused on strengthening their leadership and management skills.
- **Scaling for Growth** is a multi-month development experience designed to prepare our high-achieving associate vice presidents (AVPs) for more complex roles and environments.
- **Leading with Impact** is an experience-based program that challenges senior managers through a combination of critical experiences and classroom learning, with a focus on driving real business impact and developing leadership capabilities.
- **The Graduate Leadership Program** is our two-year rotational program focused on attracting, developing and retaining early talent in emerging areas of the Bank.

### Engaging Our Employees

We have evolved the employee experience from employee satisfaction to more recent measures of effective leadership practices that create positive ties between employees and TD. Employee experience is now an integrated experience that brings together the entire enterprise, including human resources and senior leadership practices, to strive to create an environment with opportunities for our employees to participate in causes that matter to them, such as social and environmental initiatives.

Our **employee engagement scores (on a five-point scale) have increased**, and our employees have consistently shared that they are proud to work for TD. Our employees have also rated us highly on our ethical behaviour as an employer and as a business. **For the employee engagement index, women scored 86% favourably, which is higher than the enterprise-wide score of 85%.**

To measure the impact of COVID-19 on our colleagues, we launched a **Colleague Connection Survey** in April 2020. This targeted and brief 10-question survey was sent to approximately 12,000 colleagues globally. We learned from the survey that our colleagues feel that TD is standing by its commitment to them, their work and their well-being and that they face unique challenges in this environment. The survey provided us with areas of opportunity to provide greater clarity on priorities, staying connected in a remote environment and a continuing need for a focus on mental and emotional well-being.

Our employee engagement is overseen by the Colleague Experience Council, which acts in a strategic advisory capacity on employee programs and initiatives. At TD, we have an **employee ideation program, iD8**, and one of its objectives is to engage and empower colleagues to share their ideas on improving the customer and colleague experience. Since iD8 launched in February 2019, we have received over 35,000 ideas from employees to help improve the way we work at TD. We review 100% of the submitted ideas, and, at present, we either have implemented or are implementing approximately 12,000 of these ideas. An iD8 idea that was recently implemented allows customers the capability to send mortgage documentation using a secure email platform.

**Introduction** +

**Governance** +

**Environmental** +

### Social

Financial and Economic Inclusion	53
Economic Value	56
Social Inclusion	58
Volunteerism	60
Responsible Sourcing	61
Customer Experience	63
Product and Service Responsibility	66
Diversity and Inclusion	69
<b>Talent Attraction, Development and Retention</b>	<b>71</b>
Health and Well-being	75

### 2020 Awards and Recognition

### 2020 Performance Data

### SASB Index

### GRI Index

### Endnotes

### Acronyms

### Caution Regarding Forward-Looking Statements

The documentation can then be uploaded directly to the mortgage system, as opposed to requiring customers to provide hard copies that will then need to be scanned by a TD employee. Documentation for each mortgage application can require 10–100 sheets of paper; this idea saved time for colleagues and customers, decreased unnecessary visits to branches, helped drive increased efficiency and reduced the amount of paper being used by TD.

**Retention and Redeployment**

One of the ways in which we assess employee engagement and satisfaction is by looking at how well we retain our talent. In 2020, TD’s **average global turnover decreased** to 14.5% from 18.5% in the previous year. Our voluntary turnover in Canada at 10.2% decreased year over year, and in the U.S., where the voluntary turnover rates tend to be higher, our rate decreased to 14.4% from 17.8% in 2019.

We are committed to retaining our employees by focusing on providing employees with a culture of care and growth. At the beginning of the pandemic, TD announced that there **would be no COVID-19-related job losses in 2020**. We were also able to work on upskilling and cross-skilling our employees to meet 2020’s challenges. Some of our efforts to retain our employees included the following:

- We **moved approximately 8,000 North American Contact Centre (NACC) agents** to a work-from-home environment. We converted onboarding programs into virtual training programs, delivering 37 such programs to support bringing on board over 2,000 new hires. We curated content for a TD Thrive pathway, Leading Remotely, so that people managers felt empowered to oversee their teams in a remote environment during the pandemic. To enable colleagues to transition to a remote environment seamlessly, we delivered over 400 workshops to over 5,000 colleagues.
- We **cross-skilled over 2,750 colleagues** from Canadian Banking, Direct Investing, TDI and Customer Assistance to support increased call volumes in our call centre. We also redeployed 200 branch banking employees into the NACC to bring skills and capability to the areas of the organization that needed it the most.

- We provided an additional benefit for colleagues (part-time and full-time) who were required to come to a TD location to perform vital work for the Bank and customers during the summer. These colleagues received a **recognition award of \$1,500** (\$500 per month in April, May and June) and three additional paid days off for their work during the same period.
- We announced a **\$500 Thank You award** for all non-executive full-time and part-time employees as a reward for the unparalleled resilience and determination they have shown in their work during the pandemic.<sup>67</sup>
- We identified **work enablement** as a critical priority based on our annual engagement survey. Work enablement is focused on empowering our colleagues with technology, tools, clear and efficient processes and the decision authority to do the right thing the right way at the right time. Two enterprise-wide examples are the Colleague Think Tank – TD’s way of gathering candid colleague feedback on how to improve programs and processes – and workspace and mobility modernization to enable collaboration using multiple devices.
- We introduced a **work-from-home (WFH) expense policy** that covered WFH-related expenses related to technology (including keyboards and monitors) and setting up a home office (including office furniture and lighting) to help employees work effectively.

**Challenge: Human Capital Redeployment During COVID-19**

**Response:** In 2020, the global pandemic has created disruption and shifting demands across our operations. Employees across North America raised their hands to help – volunteering for stretch opportunities and to work within areas experiencing high volumes. Over 5,000 employees took on new work assignments to manage the volumes, primarily in contact centre roles.

At this critical juncture, it is important for organizations including TD to anticipate what the added economic uncertainty means and identify the skills needed to thrive in the future economy. Even before COVID-19, the advancement of digital banking encouraged us to lay the groundwork for upskilling employees to better suit the jobs needed in our changing economy, mainly through increased digital capabilities. This shift has been accelerated by the pandemic.

We have launched Career Solutions, a new site to provide easy access to TD tools and resources to help employees identify strengths and career interests, develop their personal career plan, learn new skills and opportunities and share tips on how to build a professional brand and network. Employees quickly learned new skills, new tools and new technology to provide concerned customers with financial advice specific to their needs and to support TD managers and colleagues in navigating their work and personal lives during COVID-19.



**Introduction** +

**Governance** +

**Environmental** +

**Social**

Financial and Economic Inclusion	53
Economic Value	56
Social Inclusion	58
Volunteerism	60
Responsible Sourcing	61
Customer Experience	63
Product and Service Responsibility	66
Diversity and Inclusion	69
<b>Talent Attraction, Development and Retention</b>	<b>71</b>
Health and Well-being	75

**2020 Awards and Recognition**

**2020 Performance Data**

**SASB Index**

**GRI Index**

**Endnotes**

**Acronyms**

**Caution Regarding**

**Forward-Looking Statements**

# Health and Well-being

## Analyst Corner

Health and Well-being Data  
([page 99](#))

Summary of Benefit Programs

TD's Approach to Job Transitions

TD's Approach to Total Rewards



TD is committed to creating better health outcomes for our approximately 90,000 employees, and we believe in a holistic view of well-being that keeps employees at the centre. We aim to create a culture of well-being that supports the diverse nature of employees' physical, financial, mental/emotional and social needs to create thriving, secure, flourishing and connected employees. The global well-being strategy offers programs tailored at the local level and personalized for employee needs.

### Physical Well-being

TD's North American Health and Safety (H&S) policy establishes the framework under which TD works to provide a healthy and safe workplace and environment for all its employees, third-party workers and visitors. TD has a comprehensive H&S management system that is reviewed annually to help ensure clarity of content, enforcement of relevant policies, delivery of training as required and oversight of relevant regulations and any regulatory changes. In Canada and in the U.S., the H&S team, H&S Committees, people managers and those in H&S-related roles work with employees to effectively support H&S programs across the enterprise.

### Financial Well-being

TD is committed to providing our employees with a competitive total rewards package with the flexibility to meet their needs and the changing needs of their families. We offer a comprehensive benefits plan that includes medical, dental and insurance options. We also offer a competitive compensation package, an employee share ownership plan (Canada), a registered pension plan (Canada) and 401(k) (U.S.) and group savings plans (other jurisdictions) to help employees meet their financial goals.

We have designed our benefits plan to provide employees with essential benefits to protect them from unanticipated financial hardship. TD provides resources to support employees as they choose the benefits plan that best meets their individual needs. Employees receive assistance for coverage from TD through benefit credits (Canada) or subsidies (U.S.).

In 2020, we extended benefits to eligible casual/part-time employees in Canada who work less than 15 hours a week. Eligible employees can access benefits under medical, dental and emergency travel plans (including business travel medical and business travel accident) and direct remaining benefits credits, if any, to spending accounts.

We offer online retirement and financial planning tools for our employees to assist them with personalized projections for their short-term and long-term plans. Our employees can also access legal and financial support services for several issues, including debt management, legal bankruptcy and housing. In the U.S., in addition to these tools and services, we offer estate planning support services.

### Mental/Emotional Well-being

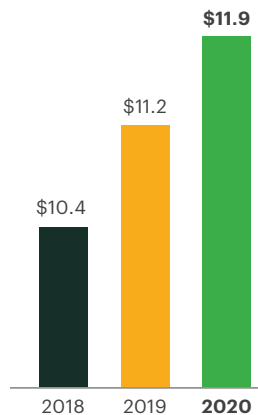
TD offers a variety of resources to support employees with their mental well-being, including online tools (assessments, podcasts, workbooks and tool kits), educational training, live guest speaker opportunities and webinars (U.S.), virtual well-being communities and access to a comprehensive employee and family assistance program. We also offer online mental health training for all employees in Canada and the U.S. to support a mentally healthy workplace, with an additional support module for people managers (Canada only).

In 2020, we continued to build on our commitment to support mental health with increases to mental health coverage in the medical plan in Canada as follows:

- Increased mental health coverage across all medical options to provide a \$3,000 mental health practitioner annual maximum per covered person and 100% reimbursement of all eligible mental health expenses (after any deductibles are met)
- Expanded the list of mental health practitioners to include counsellors, occupational therapists, psychotherapists and registered nurse psychotherapists

In the U.S., we enhanced our medical plan offering for 2021 to include unlimited rehabilitative services for employees and their family members who have autism or other behavioural conditions, and we continue to provide unlimited access to mental health providers.

## Total Spend on Compensation and Benefits (in billions)



**\$11.9b**  
spent in 2020

**Introduction** +

**Governance** +

**Environmental** +

## Social

Financial and Economic Inclusion 53

Economic Value 56

Social Inclusion 58

Volunteerism 60

Responsible Sourcing 61

Customer Experience 63

Product and Service Responsibility 66

Diversity and Inclusion 69

Talent Attraction, Development and Retention 71

**Health and Well-being 75**

## 2020 Awards and Recognition

## 2020 Performance Data

## SASB Index

## GRI Index

## Endnotes

## Acronyms

## Caution Regarding

## Forward-Looking Statements

**Social Well-being**

TD is committed to making sure that our employees feel connected to people and the community. Our initiatives focus on employees taking ownership over their personal health, removing barriers to well-being and improving employee engagement on issues that support well-being. In the U.S., we introduced **Well-being Ambassadors** to help employees address their health and well-being needs. The Well-being Ambassadors will help employees focus on what is meaningful to them by connecting them with resources and being their trusted representative within the business.

**TD's Approach to Well-being**



**COVID-19-Related Program Enhancements**

TD reacted quickly to the pandemic to meet the needs of employees' health and well-being locally and globally.

- **Provided 10 paid personal days** for employees affected by school closures/dependant care
- Introduced a **TD Personal Leave of Absence** to provide extended, unpaid leaves of absence for COVID-19-related reasons to employees who are not eligible for statutory leaves<sup>68</sup>
- Delivered extensive, ongoing **well-being communications** both centrally and from executives (our new Global Well-being Resource Hub added to our internal website makes it easier for colleagues to find TD programs and resources that support their well-being; a section is dedicated to caregivers, including a Caregiver Toolkit to help employees navigate the difficult decisions they face in this environment)
- Highlighted the **accessibility of mental health counsellors** at no cost for employees and their family members, as well as tools to help manage stress and anxiety and build resiliency through TD's Employee & Family Assistance Program
- Adapted **short-term disability practices** to meet the needs of employees who are ill or potentially ill with COVID-19
- Created a **COVID-19 Resource web page** with timely information and resources on TD's benefit programs
- Covered **100% of COVID-19 testing**, visits to the doctor's office and diagnosis for employees enrolled in a TD medical plan in the U.S.
- Launched **virtual health-care coverage** for all benefits-eligible employees and their eligible dependants in Canada, the U.K. and Singapore
- Covered **100% of telehealth visits and other remote-care services** in the U.S.<sup>69</sup>
- Added **masks, gloves and hand sanitizers** as expenses eligible for reimbursement under the Wellness Spending Account in Canada

**Employee Relations**

Our employees can comfortably and safely raise their concerns directly with TD. The **Employee Complaint Resolution Process** provides employees with various channels to report their concerns. The process facilitates the reporting of their concerns to the right point of contact so that they are resolved quickly, objectively and without any fear of retaliation. TD is committed to protecting individuals from reprisal in any form, no matter what channel an employee chooses to raise their concern.

In addition, TD has an **HR Advice and Employee Relations group** that maintains meaningful work standards, policies and practices 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 resource 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. Our focus is to strengthen the employer-employee relationship and improve employee engagement, satisfaction and retention.



**Introduction** +

**Governance** +

**Environmental** +

**Social**

Financial and Economic Inclusion	53
Economic Value	56
Social Inclusion	58
Volunteerism	60
Responsible Sourcing	61
Customer Experience	63
Product and Service Responsibility	66
Diversity and Inclusion	69
Talent Attraction, Development and Retention	71
<b>Health and Well-being</b>	<b>75</b>

**2020 Awards and Recognition**

**2020 Performance Data**

**SASB Index**

**GRI Index**

**Endnotes**

**Acronyms**

**Caution Regarding Forward-Looking Statements**

# 2020 Awards and Recognition



## ESG Indices

- Dow Jones Sustainability World Index (seventh year in a row)
- Dow Jones Sustainability North America Index
- FTSE4Good Index
- Euronext Vigeo World 120 Index
- STOXX Global ESG Leaders Index
- Bloomberg Gender-Equality Index for the fifth year in a row

## Environmental

- Received a rating of A- on our CDP disclosure for the sixth year in a row
- Received an A CDP Supplier Engagement Rating
- Named one of Canada's Greenest Employers for the 12th consecutive year by Mediacorp Canada

## Social

- Named one of Canada's Best Workplaces in Financial Services and Insurance by Great Place to Work Canada for the 15th consecutive year
- TD named one of Canada's Best Employers 2020 by Forbes
- TD Bank will be recognized as one of America's Best Employers for Women 2020 by Forbes and Statista
- TD Bank was named one of Forbes' America's Best Employers for Diversity for the second year in a row
- TD received a 2020 Canada's Future Workforce Top Employers Award
- Mediacorp Canada:
  - One of Canada's Top 100 Employers for the 13th year in a row
  - One of Greater Toronto's Top Employers for the fourth year in a row
  - One of Canada's Best Diversity Employers for the ninth year in a row
  - One of Canada's Top Employers for Young People for the second year in a row

- Named one of the Best Workplaces™ for Financial Services & Insurance
- TD Bank has made DiversityInc.'s Top Companies for Mentoring list
- Ranked 18th in DiversityInc's Top 50 Companies for Diversity
- TD Bank ranked #21 out of 100 on Refinitiv's Diversity and Inclusion Index
- TD Bank on *Black EOE Journal's* annual Best of the Best employers list
- TD Bank included among *Hispanic Network Magazine's* Best of the Best 2020 Top Financial & Banking Companies
- TD Bank and TD Securities U.S. received top scores on Human Rights Campaign's Corporate Equality Index for the 11th year in a row and fifth year in a row, respectively, as Best Places to Work for LGBTQ Equality
- TD was recognized by the National Organization on Disability as a 2020 Leading Disability Employer for the fourth year in a row
- For the sixth consecutive year, TD Bank achieved the top score of 100% on the Disability Equality Index, which rates U.S. companies on their disability inclusion policies and practices
- TD Bank ranked #1 in SBA lending in our Maine-to-Florida footprint for the fourth consecutive year
- TD was named a 2020 WBE Canada Excellence Award winner for Most Improved Supplier Diversity Program
- TD was inducted as a WBE Canada Procurement Champion, in recognition of TD's support for supplier diversity and Canadian women-owned businesses while being a WBE Canada Corporate Member for 10 consecutive years

## Governance and Reputation

- TD was ranked first by Brand Finance as Canada's most valuable brand
- TD won among non-captive lending with retail credit in the J.D. Power 2020 Canada Dealer Financing Satisfaction Study for the third year in a row
- TD ranked second in customer satisfaction among the big five retail banks in the J.D. Power 2020 Canada Retail Banking Satisfaction Study
- TD Canada Trust ranked third in customer satisfaction among online banks in Canada and fifth for Canada online Credit Cards in the J.D. Power 2020 Canada Banking and Credit Card Mobile App Satisfaction Studies
- TD was recognized in five regional categories in the 2020 North American *Global Finance* Digital Bank Awards, including:
  - Most Innovative Digital Bank
  - Best Online Product Offerings
  - Best Bill Payment and Presentation
  - Best Mobile Banking Adaptive Site
  - Best Information Security and Fraud Management
- Included among Corporate Knights Best 50 Corporate Citizens in Canada
- TD won Best ESG Report in Canada by *IR Magazine* for the second year in a row

Introduction +

Governance +

Environmental +

Social +

**2020 Awards and Recognition**

**2020 Performance Data**

**SASB Index**

**GRI Index**

**Endnotes**

**Acronyms**

**Caution Regarding  
Forward-Looking Statements**

# 2020 Performance Data

## Table of Contents



### Governance Performance

- Corporate Governance
- Taxes
- Human Rights
- Data Security and Privacy

**79**  
**80**  
**80**  
**80**



### Environmental Performance

- Climate Change
- Notes to GHG Emissions
- Carbon Neutral Commitment
- Insurance
- Sustainable Finance
- Responsible Resource Use

**79**  
**80**  
**80**  
**80**



### Social Performance

- Financial and Economic Inclusion
- Financial Education
- Economic Value
- Social Inclusion
- London Benchmarking Group
- Volunteerism
- Responsible Sourcing
- Customer Experience
- Product and Service Responsibility
- Diversity and Inclusion
- Talent Attraction, Development and Retention
- Health and Well-being

**81**  
**83**  
**83**  
**84**  
**84**  
**87**

**91**  
**91**  
**91**  
**92**  
**93**  
**94**  
**94**  
**94**  
**95**  
**95**  
**97**  
**99**



# Governance Performance

## 2.2 Corporate Governance

### Performance in 2020

TD's Board of Directors as at October 31, 2020	Target	2020	2019	2018
Number of Independent Board members	n/a	<b>12</b>	13	13
Percentage of independent Directors <sup>1</sup>	Substantial majority	<b>92%</b>	93%	93%
Average annual Board attendance	At least 75%	<b>99%</b>	99%	99%
Average Board tenure (in years)	n/a	<b>8.0</b>	7.0	5.9
Percentage of women Directors	At least 30% of independent directors	<b>42%</b>	36%	36%
Percentage of visible minority Directors	n/a	<b>15%</b>	14%	14%
Percentage of Directors that voluntarily self-identified as a visible minority, a person of Indigenous or Aboriginal heritage, LGBTQ2+ or a person with a disability <sup>2</sup>	n/a	<b>31%</b>	- <sup>3</sup>	- <sup>3</sup>
Number of Board members identified with having corporate responsibility for environmental and social matters as a key area of expertise and experience	n/a	<b>5</b>	6	4

<sup>1</sup> TD's Board of Directors includes 13 members in total; Bharat Masrani is not independent because of his role as Group President and Chief Executive Officer of the Bank.

<sup>2</sup> See end notes 24, 25, 26 and 27 for definition of these categories.

<sup>3</sup> The first year this data was collected was fiscal year 2020.

Responsible Conduct and Compliance Incident Reporting	2020	2019	2018
Percentage of eligible employees who completed the Code of Conduct and Ethics training <sup>1</sup>	<b>100%</b>	100%	100%
Percentage of eligible employees who completed anti-money laundering training <sup>2</sup>	<b>98.4%</b>	99.0%	- <sup>3</sup>
Number of significant monetary fines or significant non-monetary sanctions for non-compliance with laws and regulations <sup>4</sup>	<b>2<sup>5,6</sup></b>	1 <sup>7</sup>	0

<sup>1</sup> Completion rates for Code of Conduct and Ethics training are based on the applicable definitions of eligible and exempt employees pursuant to our internal policies.

<sup>2</sup> Completion rates for AML training are based on the applicable definitions of eligible and exempt employees pursuant to our internal policies. Training completion rates for AML were slightly lower in 2020 as a result of adjustments to the mandatory training calendar and employees on paid leave due to COVID-19 were provided additional time to complete their training which extended beyond the calendar year.

<sup>3</sup> The first year this data was disclosed was fiscal year 2019.

<sup>4</sup> For reporting purposes, we determine a significant legal action to potentially exceed \$25 million in damages and/or legal costs, a significant fine to be \$1 million or over and related to incidents that are of a regulatory nature (penalties of an administrative nature are not considered significant) and a significant non-monetary sanction to be material and related to incidents that are of a regulatory nature.

<sup>5</sup> In 2020, TD Bank, N.A. ("TDBNA") entered into a Consent Order with the U.S. Consumer Financial Protection Bureau with respect to certain of TDBNA's enrollment practices for its optional overdraft product called Debit Card Advance and certain of its reporting practices in relation to specialty consumer reporting agencies, and paid a civil money penalty in the amount of US\$25,000,000. TD Bank did not admit to any wrongdoing under the Civil Settlement Agreement.

<sup>6</sup> In 2020, TD Waterhouse Canada Inc. was fined \$4,000,000 by the Investment Industry Regulatory Organization of Canada (IIROC), a self-regulatory organization which oversees investment dealers and trading activity on debt and equity marketplaces in Canada, for failing to include position cost information within the quarterly account statement for certain securities positions, contrary to IIROC requirements.

<sup>7</sup> Security National Insurance Company entered into a settlement agreement with and paid an administrative monetary penalty of \$1,400,000 to the Financial Services Commission of Ontario in connection with automobile insurance rating errors.

## 2.3 Taxes

Taxes Borne by TD Bank Group (in millions of dollars)	2020	2019	2018
Income taxes	1,152	2,735	3,182
Payroll taxes for over 90,000 employees in the jurisdictions that TD operates	602	587	538
Transaction and sales taxes	539	678	487
Capital and insurance premium taxes	186	168	148
Property and business taxes	257	243	237
<b>Total<sup>1</sup></b>	<b>2,736</b>	<b>4,411</b>	<b>4,592</b>
Effective income tax rate – reported <sup>1</sup>	<b>9.7%</b>	20.7%	23.1%
Effective total tax rate <sup>1,2</sup>	<b>20.3%</b>	29.6%	30.2%

<sup>1</sup> The year-over-year decrease primarily reflects the impact of the sale of the Bank's investment in TD Ameritrade, including the non-taxable revaluation gain, the release of non-taxable cumulative currency translation gains from accumulated other comprehensive income (AOCI), a rate differential on the reclassification to earnings of taxes deferred in AOCI on the designated hedging items, and the release of a deferred tax liability. Other drivers of the lower effective tax rate are lower pre-tax income and business mix, partially offset by higher provisions related to changes in tax law.

<sup>2</sup> The effective total tax rate is calculated as total taxes divided by net income before income taxes, payroll taxes, transaction and sales taxes, capital and insurance premium taxes, and property and business taxes.

## 2.4 Human Rights

Employee Training Hours Related to Human Rights	2020	2019	2018
Total number of employee training hours related to human rights <sup>1</sup>	<b>113,636</b>	95,228 <sup>2</sup>	95,886 <sup>2</sup>

<sup>1</sup> The total number of hours related to human rights training was calculated using a 100% allocation applied to the total hours spent on human rights-related courses in fiscal years 2018, 2019 and 2020. Courses cover topics such as TD's Code of Conduct and Ethics, diversity and inclusion, fair banking and serving customers with disabilities.

<sup>2</sup> The figures for 2018 and 2019 have been restated to be consistent with courses used to calculate the total training hours related to human rights in 2020.

## 2.5 Data Security and Privacy

Privacy	2020	2019	2018
Number of unresolved well-founded <sup>1</sup> privacy complaints from the Office of the Privacy Commissioner of Canada	<b>0</b>	0	0
Regulatory privacy findings against the Bank in the U.S., Europe or Asia-Pacific	<b>0</b>	0	0
Percentage of eligible employees who completed Privacy training <sup>2</sup>	<b>98.3%</b>	99.5%	– <sup>3</sup>

<sup>1</sup> The term "well-founded" is used by the Office of the Privacy Commissioner of Canada when the Commissioner has found that an organization has failed to respect a provision of the *Personal Information Protection and Electronic Documents Act* (Canada).

<sup>2</sup> Completion rates for Privacy training are based on the applicable definitions of eligible and exempt employees pursuant to our internal policies. Training completion rates for Privacy training were slightly lower in 2020 as a result of adjustments to the mandatory training calendar and employees on paid leave due to COVID-19 were provided additional time to complete their training which extended beyond the calendar year.

<sup>3</sup> The first year this data was disclosed was fiscal year 2019.

# Environmental Performance

## 3.2 Climate Change

### Low-Carbon Economy<sup>1</sup>

PROGRESS ON GOAL		
Target	Progress	2020 Result
\$100 billion (USD \$78 billion), in total, in low-carbon lending, financing, asset management and internal corporate programs by 2030	On track	In 2017, we developed the accounting methodology and measurement mechanisms and have since then applied them. Since 2017, we have contributed over \$56 billion towards these initiatives.

<sup>1</sup> More details on our progress against this target can be found on [page 41](#) of this report

### Carbon-related Assets<sup>1</sup>

	2020	2019	2018
Carbon-related assets relative to total assets (%)	2.3% <sup>2</sup>	2.7%	– <sup>3</sup>
Carbon-related assets relative to total assets (in billions)	\$34.5	\$31	– <sup>3</sup>

<sup>1</sup> For further details on our carbon-related assets, see [page 42](#) of this report.

<sup>2</sup> The year-over-year decrease can be largely attributed to an increase in TD's exposure to the Government, public sector entities and the education sector in 2020.

<sup>3</sup> The first year this data was disclosed was fiscal 2019.

### Greenhouse Gas Emissions<sup>1,2,3,4</sup>

PROGRESS ON GOAL		
Target	Progress	2020 Result
By 2020, zero increase in absolute scope 1 and 2 GHG emissions relative to 2015 baseline	Met	32%* reduction in scope 1 and 2 GHG emissions relative to 2015 baseline

Scope 1 & 2 – (location based)	Units	2020	2019	2018
Scope 1 <sup>5,6</sup>	tonnes CO <sub>2</sub> e	42,512	50,711	53,270
Scope 2 (location based) <sup>7</sup>	tonnes CO <sub>2</sub> e	93,999	107,366	119,205
<b>Total scope 1 &amp; 2 (location based)<sup>8</sup></b>	tonnes CO <sub>2</sub> e	✓ 136,511	✓ 158,077	✓ 172,475
GHG emission intensity (per square foot)	kg CO <sub>2</sub> e/sq ft	5.84	6.65	6.94
GHG emission intensity (per millions in revenue)	tonnes CO <sub>2</sub> e/millions of dollars	3.13	3.85	4.43
Scope 1 & 2 (market based)				
Scope 1 <sup>5,6</sup>	tonnes CO <sub>2</sub> e	42,512	50,711	53,270
Scope 2 (market based)	tonnes CO <sub>2</sub> e	6,835	8,061	7,833
<b>Total scope 1 &amp; 2 (market based)<sup>8,9</sup></b>	tonnes CO <sub>2</sub> e	✓ 49,346	✓ 58,772	✓ 61,103
GHG emission intensity (per square foot)	kg CO <sub>2</sub> e/sq ft	2.12	2.48	2.47
GHG emission intensity (per millions in revenue)	tonnes CO <sub>2</sub> e/millions of dollars	1.13	1.43	1.57
Scope 3 <sup>10</sup>				
Purchased goods and services	tonnes CO <sub>2</sub> e	1,562,900	1,287,900 <sup>11</sup>	1,234,451 <sup>11</sup>
Capital goods	tonnes CO <sub>2</sub> e	173,467	97,631 <sup>11</sup>	83,773 <sup>11</sup>
Fuel and energy-related activities	tonnes CO <sub>2</sub> e	23,436	32,166	37,563
Business travel	tonnes CO <sub>2</sub> e	✓ 8,593	✓ 17,159	✓ 18,856
Downstream leased assets	tonnes CO <sub>2</sub> e	✓ 1,121	✓ 848	✓ 48

\* Corrected on July 28, 2021. We erroneously reported TD's scope 1 and 2 emissions reduction relative to our 2015 baseline as 41% on March 5, 2021. The actual reduction was 32%.

Canada	Units	2020	2019	2018
Scope 1	tonnes CO <sub>2</sub> e	<b>27,033</b>	30,566	31,905
Scope 2 (location based)	tonnes CO <sub>2</sub> e	<b>30,647</b>	35,328	40,292
<b>Total Canada</b>	tonnes CO <sub>2</sub> e	✓ <b>57,681</b>	✓ 65,894	✓ 72,196
U.S.				
Scope 1	tonnes CO <sub>2</sub> e	<b>15,268</b>	19,882	21,169
Scope 2 (location based)	tonnes CO <sub>2</sub> e	<b>62,493</b>	71,097	78,190
<b>Total U.S.</b>	tonnes CO <sub>2</sub> e	✓ <b>77,761</b>	✓ 90,979	✓ 99,359
International				
Scope 1	tonnes CO <sub>2</sub> e	<b>210</b>	263	196
Scope 2 (location based)	tonnes CO <sub>2</sub> e	<b>859</b>	941	724
Total International	tonnes CO <sub>2</sub> e	<b>1,069</b>	1,204	920
<b>Total scope 1 &amp; 2 (location based)</b>	tonnes CO <sub>2</sub> e	✓ <b>136,511</b>	✓ 158,077	✓ 172,475

- <sup>1</sup> The 2020 results may have been impacted due to the COVID-19 pandemic as many employees moved to remote work settings.
- <sup>2</sup> For the years presented, the reporting period for GHG emissions from real estate (electricity, propane, chilled water, diesel, heating oil, steam and natural gas) is August 1 to July 31 in order to allow for more timely data. Other sources of emissions remain with TD's fiscal year (November 1 to October 31). The quantification of the GHG emissions associated with TD's activities is performed by WSP, an independent consulting firm.
- <sup>3</sup> See [page 83](#) for TD's 2020 carbon-neutral schedule.
- <sup>4</sup> For further details see accompanying notes on [page 83](#).
- <sup>5</sup> The reporting period for scope 1, stationary combustion and refrigerants is August 1 to July 31, this represents 38,879 tonnes CO<sub>2</sub>e. The reporting period for scope 1, mobile combustion (travel) is November 1 to October 31, this represents 3,633 tonnes CO<sub>2</sub>e.
- <sup>6</sup> Scope 1 emissions include direct emissions from heating and cooling, leased aircraft and corporate fleet.
- <sup>7</sup> Scope 2 emissions include indirect emissions from electricity, heating and cooling.
- <sup>8</sup> In accordance with the GHG Protocol's Scope 2 Guidance, TD reports both location-based and market-based scope 2 figures. 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.
- <sup>9</sup> Emissions in market-based scope 2 are attributed to steam and chilled water.
- <sup>10</sup> The reporting period for scope 3 sources, purchased goods and services, capital goods, and business travel, is November 1 to October 31, with the exception of fuel and energy-related activities and downstream leased assets, which are reported for August 1 to July 31 in alignment with the energy reporting period.
- <sup>11</sup> Fiscal year 2018 and 2019 figures are restated as a result of methodology changes.

Greenhouse Gas Emissions by Transportation Mode<sup>1</sup>

PROGRESS ON GOAL				
Target	Progress	2020 Result		
Continue to reduce overall corporate travel	Met	63% overall reduction by kilometres travelled		
Detailed emissions breakdown				
Canada	Units	2020	2019	2018
Air travel <sup>2</sup>	tonnes CO <sub>2</sub> e	<b>3,474</b>	6,083	7,627
Automobile travel <sup>3</sup>	tonnes CO <sub>2</sub> e	<b>2,365</b>	3,321	2,934
Rail travel	tonnes CO <sub>2</sub> e	<b>5</b>	125	132
Total Canada	tonnes CO <sub>2</sub> e	<b>5,845</b>	9,528	10,694
U.S.				
Air travel <sup>2</sup>	tonnes CO <sub>2</sub> e	<b>2,158</b>	4,502	5,676
Automobile travel <sup>3</sup>	tonnes CO <sub>2</sub> e	<b>4,135</b>	8,656	8,685
Rail travel	tonnes CO <sub>2</sub> e	<b>2</b>	42	46
Total U.S.	tonnes CO <sub>2</sub> e	<b>6,295</b>	13,201	14,408
Total North America	tonnes CO <sub>2</sub> e	<b>12,140</b>	22,729	25,101
Distance travelled (km)				
Canada		2020	2019	2018
Air travel <sup>2</sup>	km	<b>17,546,458</b>	54,013,209	61,517,189
Automobile travel <sup>3</sup>	km	<b>7,743,720</b>	13,912,424	13,003,637
Rail travel	km	<b>406,281</b>	1,419,995	1,554,723
Total Canada	km	<b>25,696,458</b>	69,345,628	76,075,549
U.S.				
Air travel <sup>2</sup>	km	<b>12,571,540</b>	43,211,986	52,161,243
Automobile travel <sup>3</sup>	km	<b>15,023,592</b>	32,445,605	33,097,572
Rail travel	km	<b>157,812</b>	477,565	542,891
Total U.S.	km	<b>27,752,944</b>	76,135,156	85,801,707
Total North America	km	<b>53,449,402</b>	145,480,784	161,877,256

- <sup>1</sup> The 2020 results may have been impacted due to the COVID-19 pandemic as many employees moved to remote work settings.
- <sup>2</sup> Air travel includes commercial air, chartered aircraft and leased aircraft.
- <sup>3</sup> Automobile travel includes corporate fleet, car rental and personal vehicles used for employee business travel.

## Notes to GHG Emissions

### 1. Organizational Boundary

The scope of this report encompasses all of TD's wholly owned operations and activities. The Bank used the operational control method to determine the organizational boundary for its GHG schedule.

### 2. Reporting Period

All GHG emissions data reflects one complete year of data. TD's fiscal year spans from November 1 to October 31, however, the reporting period for certain GHG emission sources may not reflect TD's fiscal year due to availability or timeliness of data. The reporting period for TD's real estate data spans August 1 to July 31, while the reporting period for most other data sources are aligned with the fiscal year.

### 3. GHG Emission Sources

All known sources of scope 1 and 2 GHG emissions have been included in the Bank's GHG schedule. Scope 3 emissions are optional in the GHG Protocol. TD's Scope 3 emissions include employee business travel, purchased goods and services, capital goods, fuel and energy-related activities, and downstream leased assets owned by TD.

### 4. Use of Estimation Techniques

In preparing the Bank's GHG schedule there were some data sources that were incomplete or unavailable, such as utility-usage data at specific real estate locations or travel data for particular periods. Where required, the Bank used estimation techniques to approximate utility usage using data from locations of a similar approximate size and energy usage, or travel data from similar time periods to approximate actual usage.

### 5. GHG Emission Conversion Factors

The GHG emission conversion factors were selected from different sources to better accommodate the data available and to provide a closer approximation of the related GHG emissions. The Bank used the following emission factors:

- **Natural gas, diesel, propane, heating oil, chilled water, and steam** – GHG emissions are measured in tonnes of CO<sub>2</sub>e equivalents ("CO<sub>2</sub>e") using Environment and Climate Change Canada and U.S. Environmental Protection Agency factors.
- **Electricity** – GHG emissions are measured in tonnes of CO<sub>2</sub>e using Environment and Climate Change Canada National Inventory Report and U.S. Environmental Protection Agency Emissions & Generation Resource Integrated Database (eGRID) emission factors that take into consideration the GHG emission intensity of each provincial/regional grid.
- **Automobile Travel** – Fleet – GHG emissions are measured in tonnes of CO<sub>2</sub>e using U.S. Environmental Protection Agency emission factors and U.S. Department of Transportation highway statistics.
- **Air, Rail** – GHG emissions are measured in tonnes of CO<sub>2</sub>e using U.S. Environmental Protection Agency, UK Department for Environment Food & Rural Affairs (Defra), GHG Protocol, and IPCC emission factors.

### 6. Completeness of Business Travel

In preparing its GHG emission schedule, the Bank was not able to obtain complete data for the business travel activities included in its Scope 3 GHG emissions. The GHG emissions data that was known and available to management was used in determining its GHG emissions; however, the Bank was not able to substantiate all travel that may have been booked through alternative travel agents or booked directly with travel carriers.

## Carbon Neutral Commitment

### PROGRESS ON GOAL

Target	Progress	2020 Result
Be carbon neutral	Met	Maintained carbon neutrality
Renewable energy will be sourced to account for 100% of GHG emissions from electricity	Met	Renewable energy credits (RECs) accounted for 100% of TD's GHG emissions from electricity
At least 50% of carbon offsets will generate social value <sup>1</sup>	Met	68% of carbon offsets generated social value

### Carbon Neutral Schedule<sup>2,3,4,5</sup>

	Unit	Canada	U.S.	International	Total
Heating and cooling <sup>6</sup>	tonnes CO <sub>2</sub> e	30,921	14,592	201	45,714
Business travel <sup>6</sup>	tonnes CO <sub>2</sub> e	5,845	6,295	87	12,226
Total heating, cooling and business travel	tonnes CO <sub>2</sub> e	36,766	20,886	286	57,938
Carbon offsets purchased	tonnes CO <sub>2</sub> e	36,766	20,886	286	57,938
<b>Net GHG emissions from energy &amp; business travel</b>	tonnes CO <sub>2</sub> e	<b>✓ 0</b>	<b>✓ 0</b>	<b>✓ 0</b>	<b>✓ 0</b>
Electricity	MWh	258,161	193,645	2,661	454,467
Renewable energy credits purchased	MWh	258,161	193,645	2,661	454,467
<b>Net electricity</b>	MWh	<b>✓ 0</b>	<b>✓ 0</b>	<b>✓ 0</b>	<b>✓ 0</b>
<b>Carbon footprint</b>	tonnes CO <sub>2</sub> e	<b>✓ 0</b>	<b>✓ 0</b>	<b>✓ 0</b>	<b>✓ 0</b>

<sup>1</sup> Valuation based on TD analysis of project documents provided by issuer, pursuant to TD's internal standards of practice.

<sup>2</sup> The reporting period for real estate data (heating and cooling, and electricity) is August 1 to July 31, the reporting period for business travel data is aligned with TD's fiscal year (November 1 to October 31).

<sup>3</sup> For more information about TD's purchased RECs and Offsets visit our [RECs and Offsets Map](#).

<sup>4</sup> Some of the RECs and Offsets allocated for fiscal year 2020 were purchased post October 31, 2020. All RECs/Offsets allocated were of an appropriate vintage for fiscal year 2020, per TD's internal Standard of Practice.

<sup>5</sup> Totals may not add up due to rounding.

<sup>6</sup> Corrected on July 28, 2021 as we erroneously reported incorrect numbers on March 5, 2021.

## Insurance

### PROGRESS ON GOAL

Target	Progress	2020 Result
Meet our commitments as a signatory to UNEP FI Principles for Sustainable Insurance	Met	Met our commitments as a signatory to UNEP FI Principles for Sustainable Insurance

### Insurance for Hybrid and Electric Vehicles (HEV)

	Units	2020	2019	2018
Number of active hybrid and electric vehicle discounts	number of discounts	40,135	33,530	26,231
GHG emissions reductions by TD Auto Insurance customers <sup>1</sup>	tonnes CO <sub>2</sub> e	13,212	17,641	18,569
Estimated reduction of GHG emissions by TD Auto Insurance customers since 2012 <sup>2</sup>	tonnes CO <sub>2</sub> e	93,000	80,000	62,000

<sup>1</sup> Estimated reduction in GHG emissions by TD Auto Insurance customers through the use of hybrid and electric vehicles. The estimates were calculated by WSP.

<sup>2</sup> The estimated reduction of GHG emissions by TD Auto Insurance customers since 2012 have been rounded to the nearest thousand.

### Examples of insurance products and services offered by TD Insurance<sup>1</sup>

Solar Panel Protection	Insurance on solar panels is included in TD Insurance's mainstream insurance offerings.
My Insurance self-service tool	This online portal for customers to view their documents reduces waste by reducing the need for paper documents.
Resilience-related discount	Customers in Alberta who choose stronger and longer-life-expectancy roofing materials to reduce damage from extreme weather events such as hailstorms, receive a discount on insurance.

<sup>1</sup> For more information please see the [Principles for Sustainable Insurance – Annual Disclosure 2020](#).

## 3.3 Sustainable Finance

⊕ For detailed information on these projects, see the [TD Sustainability Bond 2020 Issuance – Use of Proceeds](#) as at October 31, 2020

⊕ For detailed information on these projects, see the [TD Green Bond 2017 Issuance – Use of Proceeds](#) as at October 31, 2020

### Green, Social and Sustainability Bond Underwriting<sup>1</sup>

	Units	2020	2019	2018
GSS bonds underwritten	billions of dollars	\$13.9	\$11.7	\$3.6
GSS bonds underwritten since 2010	billions of dollars	Over \$35	Over \$21	Over \$15

<sup>1</sup> Reflects the apportioned-value of lead managed green, social and sustainability bond underwriting by TD.

### Financing for Hybrid and Electric Vehicles

	Units	2020	2019	2018
HEV Financing (full program) <sup>1</sup>				
Dollars financed (Canada) <sup>2</sup>	millions of dollars	\$134	\$122	\$121
Dollars financed (U.S.)	millions of U.S. dollars	\$295	– <sup>3</sup>	– <sup>3</sup>
Number of financing transactions (Canada) <sup>2</sup>	number of financing transactions	3,578	3,311	3,248
Number of financing transactions (U.S.)	number of financing transactions	5,731	– <sup>3</sup>	– <sup>3</sup>
GHG emissions reduction by TD Auto Finance customers in Canada <sup>2,4</sup>	tonnes CO <sub>2</sub> e	4,461	6,447	7,978
Estimated reduction in GHG emissions by TD Auto Finance customers since 2015 <sup>2</sup>	tonnes CO <sub>2</sub> e	27,250	22,800	16,300

<sup>1</sup> HEV Financing through ECO, a program that offers special rates on financing for hybrid and electric vehicles. All annual figures are as at October 31 for the fiscal year unless otherwise stated. See [page 43](#) for additional context.

<sup>2</sup> Fiscal year 2018 and 2019 figures are restated as a result of methodology changes.

<sup>3</sup> The first year this data was disclosed was fiscal year 2020.

<sup>4</sup> Estimated reduction in GHG emissions by TD Auto Finance customers in Canada through the use of Hybrid and Electric vehicles. The estimates were based on calculations provided by WSP.

## E&S Risk Review<sup>1</sup>

### PROGRESS ON GOAL

Target	Progress	2020 Result
100% of applicable transactions reviewed against TD's E&S Non-Retail Credit Risk Management Process	Met	100% of applicable transactions reviewed against TD's E&S Non-Retail Credit Risk Management Process

<sup>1</sup> In 2020, we introduced TD's Environmental and Social Risk Management Tool to assess the environmental and social risk associated with applicable borrowers and transactions, and determine whether further escalation is required as part of the credit review process. With the rollout of the new E&S risk tool, the enhanced process is in transition and results would not be comparable year over year. For further details on our environmental and social risk process please see [Environmental and Social Credit Risk Process for Non-Retail Credit Business Lines](#).

## Equator Principles

### PROGRESS ON GOAL

Target	Progress	2020 Result
100% of applicable project finance transactions reviewed under Equator Principles	Met	100% of applicable project finance transactions were reviewed pursuant of the Equator Principles

### TD's Equator Principles Reporting

The Equator Principles (EP) is a risk management framework for financial institutions to determine, assess and manage environmental and social risks in project financing. EP signatories choose to voluntarily adopt and apply the EP as part of their due diligence processes to help support responsible risk decision-making.

### Implementation of Equator Principles at TD

An EP signatory since 2007, TD follows a structured approach to lending, using a comprehensive set of tools and guidance documents so that EP deals are identified and categorized appropriately. We have also incorporated key environmental and social risk issues identified within the EP into our due diligence process for general purpose corporate financing transactions (i.e. non-project related financing).

### 2020 Equator Principles Reporting

In 2020, TD completed two Equator Principles transactions, both of which were project finance deals. The number and categorization of EP deals undertaken this year is similar to the numbers reported in previous years and reflects TD's limited role in project financing.

### Project Finance Advisory Services

Total number mandated in the fiscal year 2020 reporting period: 0

### Project-Related Corporate Loans

Total number that reached financial close in the fiscal year 2020 reporting period: 0

## Project Finance Transactions

Total number that reached financial close in the fiscal year 2020 reporting period: 2

Project Finance	Category A <sup>1</sup>	Category B <sup>1</sup>	Category C <sup>1</sup>
Sector			
Mining			
Infrastructure			
Oil & Gas	1		
Power			
Others		1	
Region			
Americas	1	1	
Europe, Middle East & Africa			
Asia Pacific			
Country Designation			
Designated	1	1	
Non-Designated			
Independent Review			
Yes	1	1	
No			
<b>Total</b>	<b>1</b>	<b>1</b>	

<sup>1</sup> For definitions of Category A, B and C, refer to: <https://equator-principles.com/wp-content/uploads/2020/05/The-Equator-Principles-July-2020-v2.pdf> (page 1).

## TDAM Performance

### PROGRESS ON GOAL

2021 Target	2020 Result	Progress	2020 Target
Development of an engagement Focus List that factors in significant ESG risks and opportunities	Creation of a new ESG Research and Engagement Team under the Chief Investment Officer. This team will lead TDAM's active ownership efforts, expanding ESG engagements and monitoring results.	Partially met	Systematically plan our ESG-related engagements to deliver meaningful and impactful engagement
Expand research publications that delve further into key ESG dynamics	Update to TDAM's Sustainable Investing Approach document, which lays out the firm's philosophy around sustainability, more specifically describes ESG integration by asset class, and discusses TDAM's contributions to the sustainability dialogue	Met	Improve internal and external communication on ESG

### TD North American Sustainability Leaders Portfolio<sup>1,2,3</sup>

TDAM manages a TD North American Sustainability Leaders Portfolio for TD Private Investment Counsel. The portfolio invests in high-quality companies who contribute positively to the United Nations Sustainable Development Goals (UN SDGs).

Performance	3 month	YTD	1 year	3 year	5 year
Fund	1.70%	8.91%	13.68%	13.77%	13.14%
Benchmark	-0.79%	2.73%	7.88%	8.21%	9.81%

<sup>1</sup> As of 10/31/2020

<sup>2</sup> Benchmark: 25% S&P/TSX Composite TR-C\$, 75% S&P 500 TR-C\$

<sup>3</sup> The rate of returns are calculated using a time-weighted formula. All returns over one year are shown on an annualized basis. U.S.-based models are translated into Canadian dollars using the month end foreign exchange rate close provided by the accounting system.

### TDAM Proxy Voting Summary<sup>1,2</sup>

	Canada	U.S.	International (outside Canada & U.S.)	Total
Proposals	7,869	13,770	22,400	<b>44,039</b>
Votes WITH management	6,627	12,355	20,101	<b>39,083</b>
Votes AGAINST management	1,242	1,415	2,299	<b>4,956</b>
<b>% of Votes AGAINST management</b>	<b>15.8%</b>	<b>10.3%</b>	<b>10.3%</b>	<b>11.3%</b>

<sup>1</sup> For fiscal year 2020.

<sup>2</sup> Proxy votes cover a wide range of routine and non-routine management and shareholder proposals, ranging from audit-related matters, the election of directors, capital structure as well as environmental and social issues.



## 3.6 Responsible Resource Use

### Energy Consumption<sup>1</sup>

PROGRESS ON GOAL				
Target	Progress	2020 Result		
By 2020, zero increase in absolute energy use relative to 2015 baseline	Met	Reduced energy use by 17% relative to the 2015 baseline		
Energy consumption by location <sup>2</sup>	Units	2020	2019	2018
<b>Canada</b>				
Electricity	GJ	<b>929,208</b>	1,108,905	1,157,835
Natural gas	GJ	<b>456,709</b>	506,855	534,432
Other (steam, heating oil, propane, diesel, chilled water)	GJ	<b>182,882</b>	203,932	199,255
<b>Total Canada</b>	GJ	<b>✓ 1,568,799</b>	<b>✓ 1,819,692</b>	<b>✓ 1,891,522</b>
<b>U.S.</b>				
Electricity	GJ	<b>697,123</b>	747,076	809,952
Natural gas	GJ	<b>193,893</b>	235,511	252,271
Other (steam, heating oil, propane, diesel, chilled water)	GJ	<b>51,286</b>	57,173	55,268
<b>Total U.S.</b>	GJ	<b>✓ 942,302</b>	<b>✓ 1,039,760</b>	<b>✓ 1,117,491</b>
<b>International</b>				
Electricity	GJ	<b>9,581</b>	9,888	7,498
Natural gas	GJ	<b>2,665</b>	3,117	2,335
Other (steam, heating oil, propane, diesel, chilled water)	GJ	<b>705</b>	757	512
<b>Total International</b>	GJ	<b>✓ 12,951</b>	<b>✓ 13,762</b>	<b>✓ 10,345</b>
<b>Total energy consumption</b>				
	<b>GJ</b>	<b>✓ 2,524,052</b>	<b>✓ 2,873,214</b>	<b>✓ 3,019,358</b>
Energy intensity (per square foot)	GJ/sq ft	<b>0.11</b>	0.12	0.12
Energy intensity (per millions in revenue)	GJ/millions of dollars	<b>58</b>	70	78

<sup>1</sup> The 2020 results may have been impacted due to the COVID-19 pandemic as many employees moved to remote work settings.

<sup>2</sup> For the years presented, the reporting period for real estate data (electricity, propane, chilled water, diesel, heating oil, steam and natural gas) is August 1 to July 31 in order to allow for more timely data.

### Ongoing Energy Reduction Initiatives

Initiative	Description	Estimated Annual Reduction	Estimated Annual GHG Reduction	Estimated Annual Cost Savings	Total Estimated Cost to date
LED Lighting Retrofit U.S. Retail Program	In 2020, we completed the roll out of LED retrofit upgrades to U.S. Retail across 273 locations.	21,842,377 kWh	9,949 tCO <sub>2</sub> e	\$5,752,464	\$23,163,472
LED Lighting Retrofit for U.S. Corporate <sup>1</sup>	In 2020, we completed the roll out of LED retrofit interior lighting updates to U.S. Corporate <sup>1</sup> across 13 corporate locations.	1,794,029 kWh	817 tCO <sub>2</sub> e	\$243,783	\$1,435,396
LED Lighting Retrofit for Canadian Retail	In 2020, we completed the roll out of LED retrofit upgrades to Canadian Retail across 140 locations.	9,383,026 kWh	1,324 tCO <sub>2</sub> e	\$2,942,451	\$10,073,286
Smart Retail Controls	In 2020, we completed the roll out of Smart Retail Controls across 750 locations.	28,268,834 kWh	28,387 tCO <sub>2</sub> e	\$3,779,445	\$16,541,106

<sup>1</sup> U.S. Corporate generally refers to all U.S. non-customer facing TD environments.

Waste<sup>1</sup>

PROGRESS ON GOAL				
Target	Progress	2020 Result		
By 2020, zero increase in waste to landfill based on 2015 baseline (Measured by waste diversion rate for sites that have complete waste stream data)	Met	In 2020, the waste diversion rate was 1% less than 2015. Coverage of sites reported has increased from 30% in 2015 to 42% in 2020.		
Divert 100% of e-waste from landfill	Met	Divert 100% of e-waste from landfill		

Waste – North America	Units	2020	2019	2018
Waste to landfill (trash) <sup>2</sup>	tonnes	<b>8,569</b>	9,942	10,026

Waste diverted from landfill				
Recycled paper (paper shred) <sup>3</sup>	tonnes	<b>10,098</b>	10,715	10,532
Other recycled waste <sup>4</sup>	tonnes	<b>3,342</b>	3,687	3,805
E-waste	tonnes	<b>174</b>	192	155
<b>Total waste generated (landfill &amp; recycled)</b>	tonnes	<b>22,009</b>	24,344	24,363

Waste diversion metrics				
% waste diverted from landfill <sup>5</sup>	%	<b>45</b>	45	46
% e-waste diverted from landfill	%	<b>100</b>	100	100

<sup>1</sup> The 2020 results may have been impacted due to the COVID-19 pandemic as many employees moved to remote work settings.

<sup>2</sup> Represents approximately 46% of our facilities in 2020, 53% in 2019, and 54% in 2018.

<sup>3</sup> Represents approximately 97% of our facilities in 2020, 97% in 2019, and 88% in 2018.

<sup>4</sup> Represents approximately 69% of our facilities in 2020, 76% of our facilities in 2019, and 74% in 2018.

<sup>5</sup> Percentage of waste diversion is calculated using the waste generated across TD sites with all three of the following waste streams reported: Waste to landfill, recycled paper, and other recycled waste. E-waste is not included in this diversion metric. This represents approximately 42% of our facilities in 2020, 50% in 2019, and 43% in 2018.

Water<sup>1</sup>

PROGRESS ON GOAL				
Target	Progress	2020 Result		
By 2020, zero increase in water use relative to 2015 baseline	Met	Reduced water use by 14% relative to 2015 baseline		

Water consumption	Units	2020	2019	2018
Canada <sup>2</sup>	m <sup>3</sup>	<b>260,779</b>	309,073	307,797
U.S. <sup>3</sup>	m <sup>3</sup>	<b>867,900</b>	968,648	934,118
Total <sup>4,5</sup>	m <sup>3</sup>	<b>1,128,680</b>	1,277,721	1,241,915

<sup>1</sup> The 2020 results may have been impacted due to the COVID-19 pandemic as many employees moved to remote work settings.

<sup>2</sup> Represents approximately 45% of our facilities in 2020, 46% in 2019, and 47% in 2018.

<sup>3</sup> Represents approximately 77% of our facilities in 2020, 75% in 2019, and 77% in 2018.

<sup>4</sup> Represents approximately 61% of our facilities in 2020, 61% in 2019, and 62% in 2018.

<sup>5</sup> Totals may not add up due to rounding.

Paper<sup>1,2</sup>

## PROGRESS ON GOAL

Target	Progress	2020 Result
By 2020, reduce total volume of all types of paper used by 40% relative to 2010 baseline	Met	Having reached this target in fiscal year 2017 (two years ahead of schedule), we continued to reduce paper usage. In 2020, we reduced total volume of paper used by 59% relative to 2010 baseline
By 2020, our paper will contain a minimum of 30% post-consumer content on average	Not met <sup>2</sup>	Post-consumer content made up 10% of our total paper usage
By 2020, 100% of our paper will be certified from sustainably managed forests	Not met <sup>2</sup>	81% of our paper was sourced from sustainably managed (FSC/SFI certified) forests

Paper by type <sup>3</sup>	Units	2020	2019	2018	2010
Statements and envelopes	tonnes	2,418	1,947	3,461	5,064
Commercial print	tonnes	1,312	1,697	1,506	4,974
Office paper	tonnes	1,465	2,122 <sup>4</sup>	2,370	3,201
Forms	tonnes	1,041	1,204	1,344	1,919
<b>Total paper</b>	tonnes	<b>6,235</b>	6,374	8,680	15,159

## Recycled content

Total % post-consumer recycled content	%	10%	13% <sup>4</sup>	13%	-
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## Certified sustainable

Total % certified (FSC/SFI)	%	81%	78% <sup>4</sup>	73%	-
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<sup>1</sup> The 2020 results may have been impacted due to the COVID-19 pandemic as many employees moved to remote work settings.

<sup>2</sup> Paper sourced through our standard process has met our targets for post-consumer content and sustainability managed forests. However, paper sourced outside of the standard process and third-party sourcing may not meet these targets.

<sup>3</sup> The paper data that was known and available to management was used in determining the paper use figures; however, the Bank was not able to substantiate all paper that may have been purchased through alternative suppliers or printers.

<sup>4</sup> Fiscal year 2019 results have been restated due to corrected information.

## Definitions of Paper

**Paper** – TD's paper purchases include statements and envelopes, commercial print, office paper and forms that are purchased through formal material contracts and/or vendors.

**Office paper** – copy paper that goes into multi-functional devices for printing and copying purposes.

**Commercial print** – paper used for external mass communications and marketing (e.g., annual reports, prospectuses, brochures, posters, start kit/information folders).

**Statements and envelopes** – paper used for bank reports, customer statements and all envelopes.

**Forms** – mass-produced standard paper instruments used on an enterprise-wide basis for information transfer by clients, suppliers and bank employees (e.g., passbooks, letterheads, cheques, applications, customer or transactional change forms, signature cards, receipts, business cards and other general banking forms).

**Green Buildings**

Details on TD LEED projects by building type and country:

	U.S. Retail		U.S. Corporate		Canadian Retail		Canadian Corporate	
	Locations	Sq. ft.	Locations	Sq. ft.	Locations	Sq. ft.	Locations	Sq. ft.
<b>2007-2019</b>								
Platinum	12	830,774	1	460,097	1	101,156	8	3,034,966
Gold	185		6		5		7	
Silver	27		1		4		2	
Certified	5		1		6		0	
<b>2020</b>								
Platinum	0	12,227	0	0	0	11,062	0	0
Gold	1		0		1		0	
Silver	2		0		0		0	
Certified	2		0		0		0	
<b>Total (2007-2020)</b>								
Platinum	12	843,001	1	460,097	1	112,218	8	3,034,966
Gold	186		6		6		7	
Silver	29		1		4		2	
Certified	7		1		6		0	

**Ongoing Building Improvement Initiatives**

Initiative	Description	Estimated Annual Reduction	Estimated Annual GHG Reduction	Estimated Annual Cost Savings	Total Estimated Cost to date
Smart Retail Controls	In 2020, we completed the roll out of Smart Retail Controls across 750 locations.	28,268,834 kWh	28,387 tCO <sub>2</sub> e	\$3,779,445	\$16,541,106

**LEED Certified Workspace**

	Unit	2020	2019	2018
TD LEED certified workspace <sup>1</sup>	%	<b>7.0%</b>	7.7%	6.3%
Total LEED certified workspace <sup>2</sup>	%	<b>23%</b>	20.5%	20.2%

<sup>1</sup> TD-owned LEED certifications only.  
<sup>2</sup> TD-owned and landlord-owned LEED certifications.

# Social Performance

## 4.1 Financial and Economic Inclusion

Three-Year Performance <sup>1</sup>	2020	2019	2018
Right Step Mortgage <sup>2</sup>			
Number of families helped	666	428	447
Amount borrowed (in millions USD)	\$152	\$83	\$86
HomeReady Loan <sup>2</sup>			
Number of loans originated	265	667	904
Volume of loans (in millions USD)	\$50	\$124	\$148

<sup>1</sup> There continues to be an overall increase in low-to-moderate income volume year-over-year, with volume shifting from HomeReady Loans to TD Right Step Mortgage and other conventional mortgages that meet the needs of low-to-moderate income borrowers.

<sup>2</sup> For further details on Right Step Mortgage and HomeReady Loan, see [page 54](#) of this report.


### Financial Education

PROGRESS ON GOAL				
Target	Progress	2020 <sup>3</sup>	2019	2018
Help 500,000 participants improve financial literacy through a TD-sponsored program <sup>1</sup>	Not met <sup>2</sup>	463,700	633,500 <sup>4</sup>	530,400

<sup>1</sup> Participants include people that take part in an initiative or program or people that are reached by an initiative or campaign which aims to improve their financial habits, knowledge, skills and attitudes toward financial literacy in Canada and the U.S.

<sup>2</sup> In 2020, many of the organizations that TD worked with and supported cancelled in-person activities and pivoted to alternative forms of program delivery. This meant that many organizations were unable to reach a similar number of beneficiaries as they had in previous years of their initiative(s). In part, this resulted in TD missing its target for number of people reached by financial education activities in 2020.

<sup>3</sup> This total includes both partial and full contributions to programs from TD.

<sup>4</sup> This total includes both partial and full contributions to programs from TD. EY provided assurance over two components of this indicator, including the Canadian contribution of 484,168 and the US TD Charitable Foundation contribution of 50,373. 

### Three-Year Performance

Financial Education (U.S.)	2020 <sup>1</sup>	2019 <sup>2</sup>	2018
Number of financial education classes	327	896	1,702
Number of attendees: financial education	6,573	14,392	19,181
Number of youth attendees: financial education classes	1,681	5,379	7,037
Number of financial education classes: LMI communities	118	310	254
Number of LMI attendees: financial education classes	2,237	7,193	4,548

<sup>1</sup> Limited in-person financial education events were held in fiscal 2020 due to COVID-19 which resulted in fewer total events and attendees.

<sup>2</sup> Financial Education reporting system migration and subsequent blackout period are contributing factors leading to decreased Financial Education event data during fiscal year 2019.

## 4.2 Economic Value

### Three-Year Performance

Canada	2020	2019	2018
Total value of small business loans and other credit facilities (in billions) <sup>1</sup>	\$1.80	\$2.00	\$2.20
Number of small business loans and other credit facilities	21,300+	32,000+	33,000+
Canada Small Business Financing Program (in millions) <sup>2,3</sup>	\$145	\$211	\$201
U.S.			
Total value of small business loans and other credit facilities (in billions USD) <sup>1</sup>	\$1.10	\$1.40	\$1.40
Number of small business loans and other credit facilities	23,900	42,400	42,130
Total amount of lending through the 504 loan program (in millions USD) <sup>4</sup>	\$146.00	\$85.80	\$71.50
Gross carrying amount of loans originated under the Paycheck Protection Program (PPP) (in billions USD) <sup>5</sup>	\$8.20	-	-
Number of PPP loans booked and funded by TD Bank <sup>5</sup>	86,000	-	-
Number of Digital Applications for Small Business	10,000	5,620	2,164
Amount requested through Digital Applications for Small Business (in millions USD)	\$358	\$139	\$82
Average size of loan requested through Digital Applications for Small Business	\$35,848	\$28,000	\$38,000
Number of financial education seminars for small business owners	145 <sup>6</sup>	339	496
Number of attendees at financial education seminars for small business owners	3,008 <sup>6</sup>	5,235	6,088

<sup>1</sup> The total value of small business loans and other credit facilities does not include the Canada Emergency Business Account (Canada) or the Paycheck Protection Program (U.S.) government loan programs that were offered to support small businesses during the COVID-19 pandemic. See [page 56](#) of this report for more information.

<sup>2</sup> The figures for fiscal years 2018 and 2019 have been restated as a result of methodology changes.

<sup>3</sup> The decrease in small business loans and other credit facilities in 2020 was primarily a result of government loan programs that were offered to support small businesses during the COVID-19 pandemic. The total value of small business loans and other credit facilities does not include government loan programs offered to support small businesses during the COVID-19 pandemic. See [page 56](#) of this report for more information.

<sup>4</sup> "504 loans" lend long-term fixed-rate financing to approved small businesses to acquire fixed assets for either expansion or modernization.

<sup>5</sup> The Paycheck Protection Program is a loan program that originated from the *Coronavirus Aid, Relief, and Economic Security (CARES) Act* in the U.S. The figures are as at October 31, 2020. For further information, see pages 17-18 of TD's [2020 Annual Report](#).

<sup>6</sup> Limited in-person financial education events were held in fiscal 2020 due to COVID-19 which resulted in fewer total events and attendees.

## 4.3 Social Inclusion

### Donations

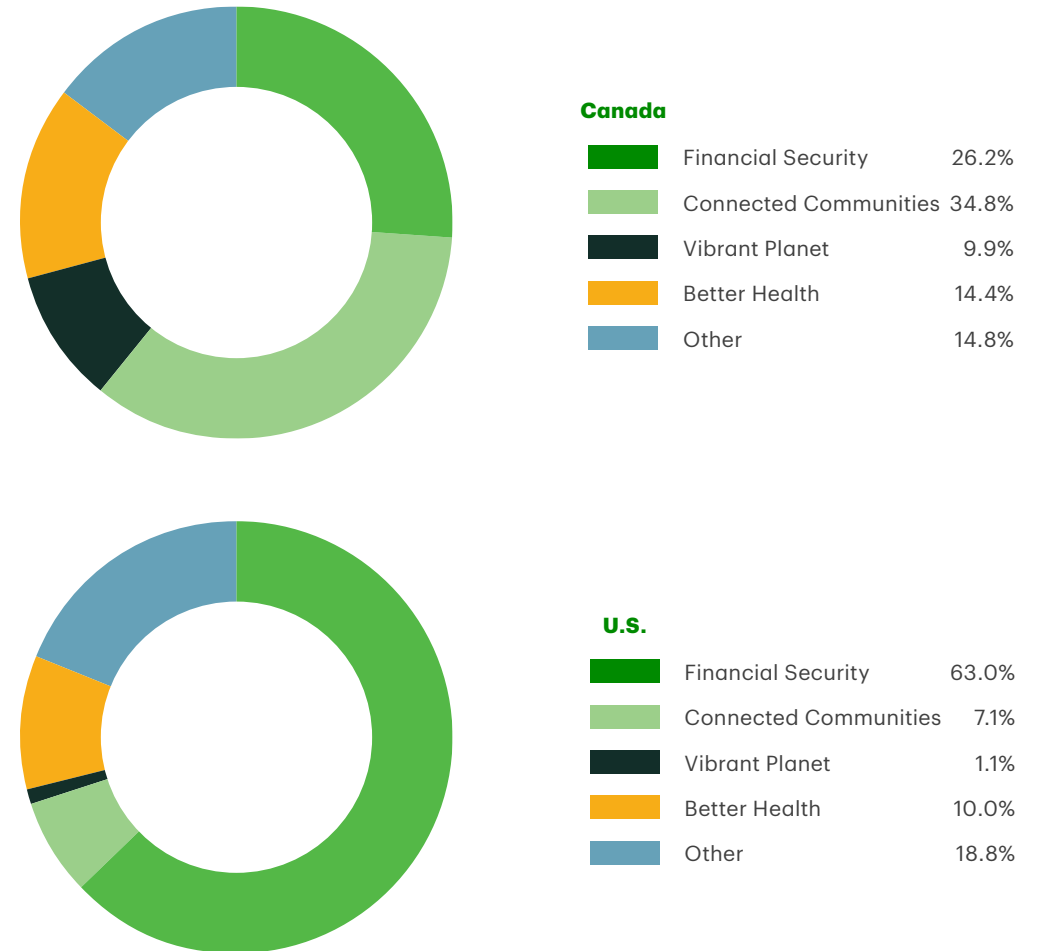
PROGRESS ON GOAL				
Target	Progress	2020	2019	2018
Maintain our North American charitable giving at or above 1% of net income before taxes, a target set by Imagine Canada and the Giving USA Foundation <sup>1,2</sup>	Met	1.16%	1.17% <sup>3</sup>	1.16% <sup>3</sup>
TD is targeting \$1 billion by 2030 towards community giving	On track	\$130m	\$126m	- <sup>4</sup>
		\$256m	\$126m	-

<sup>1</sup> The 1% giving target follows the North American scope of TD's corporate citizenship strategy.  
<sup>2</sup> Pre-tax contribution to community represents a combined view of the figures for Canada and the U.S., with the Canadian figure based on contributions as a % of NIBT across businesses within the Canadian geography, and the U.S. figure based on contributions as a % of NIBT for the U.S. Retail Segment.  
<sup>3</sup> Pre-tax contribution to community giving for North America has been restated for 2018 and 2019 due to methodology changes.  
<sup>4</sup> Tracking total cumulative donations since the launch of the TD Ready Commitment since 2018.

Performance Trends: Donations	2020	2019	2018
Canada (in millions)	\$90	\$89	\$80
U.S. (in millions of U.S. dollars) <sup>1</sup>	\$29	\$27	\$26
Total (in millions) <sup>2</sup>	\$130	\$126	\$116
Total cumulative donations (in millions)	\$256	\$126	-

<sup>1</sup> Includes US\$23.7 million from the TD Charitable Foundation in 2020.  
<sup>2</sup> All amounts converted into Canadian dollars using Bank of Canada exchange rates.

### 2020 Breakdown of Our Giving by TD Ready Commitment Driver<sup>1</sup>



<sup>1</sup> Totals may not add up due to rounding.

## Three-Year Performance

Donations <sup>1</sup>	2020	2019	2018
Total donations (in millions)	\$130	\$126	\$116
<b>TD Friends of the Environment Foundation</b>			
Total donations (in millions)	\$3.47	\$5.20	\$5.10
Number of projects	479	605	642
<b>TD Charitable Foundation</b>			
Total donations (in millions USD)	\$23.74	\$21.80	\$21.60
Total sponsorships (in millions USD)	\$2.90	\$4.00	\$4.40
Non-profit Training Resource Fund (USD)	\$247,021	\$222,000	\$189,000
Number of grants: Non-profit Training Resource Fund	101	183	211
<b>TD Bank Community Development Programs</b>			
Community development loans (in billions USD)	\$3.40 <sup>3</sup>	\$1.90	\$1.60
Tax credit programs and other investments for LMI individuals and families (in millions USD) <sup>2</sup>	\$479	\$459	\$361
<b>Affordable Housing</b>			
TD Charitable Foundation affordable housing donations (in millions USD)	\$5.87	\$2.71 <sup>4</sup>	\$5.81
Community development loans for LMI areas (in millions USD)	\$735	\$747	\$793
Number of units supported by community development loans	7,393	6,818	9,229
Low-Income Housing Tax Credits (in millions USD)	\$418	\$378	\$327

<sup>1</sup> All amounts converted into Canadian dollars using Bank of Canada exchange rates.

<sup>2</sup> Total investments are funded by TD Bank's Community Capital Group only. These investments are made on behalf of TD Bank, N.A. and TD Bank USA NA; it does not include grants (TD Charitable Foundation) or mortgage-backed securities (Treasury).

<sup>3</sup> The increase in community development loans in 2020 was primarily a result of temporary changes made by the Office of the Comptroller of the Currency to the eligibility criteria to receive/qualify for development loans that were made in response to COVID-19. For more details see the Office of the Comptroller of the Currency's [Community Reinvestment Act Frequently Asked Questions Related to COVID-19](#).

<sup>4</sup> The decrease in 2019 is due to the Housing for Everyone grant, a subset of the affordable housing donations, being paid out two months later than prior years in order to align with The Ready Challenge. No grants were paid out in fiscal year 2019.

## London Benchmarking Group

The LBG is a network of corporate community investment professionals that work together to apply, develop and enhance the LBG measurement framework. Since there are no generally accepted accounting principles to inform how "community giving" is reported, different companies have historically taken different approaches to arrive at their numbers. LBG's measurement framework provides a robust and credible approach to measuring the real value and impact of corporate community investment to both business and society and is the global standard for measuring community contributions.

As an external third party, LBG Canada provides a standardized approach for valuing community investment and reviews each participant's reported community giving to verify whether or not the approach has been followed.

In addition to TD's own calculations, we ask LBG Canada to assess our data and calculate our corporate giving based on their methodology, which helps to account for the broader impacts of our financial contribution.


## 4.4 Volunteerism

### Three-Year Performance

Financial Education Volunteerism	2020	2019	2018
Investment in community financial education programs (in millions)	<b>\$6.30</b>	\$6.00	\$4.50
Number of people helped by the investment	<b>463,700<sup>2</sup></b>	633,500 <sup>3</sup>	530,400
Number of participants in Money Matters – Canada	<b>9,040</b>	14,972	12,166
Number of employee volunteers – Money Matters <sup>1</sup>	<b>146</b>	354	388
Number of educational events for LMI homebuyers – U.S.	<b>39<sup>4</sup></b>	277	313
Number of potential LMI homebuyers who attended these events – U.S.	<b>600<sup>4</sup></b>	3,323	4,060

<sup>1</sup> Limited in-person volunteer opportunities were held in fiscal 2020 due to COVID-19 which resulted in a decrease in total volunteers.

<sup>2</sup> In 2020, many of the organizations that TD worked with and supported cancelled in-person activities and pivoted to alternative forms of program delivery. This meant that many organizations were unable to reach a similar number of beneficiaries as they had in previous years of their initiative(s). In part, this resulted in TD missing its target for number of people reached by financial education activities in 2020.

<sup>3</sup> This total includes both partial and full contributions to programs from TD. EY provided assurance over two components of this indicator, including the Canadian contribution of 484,168 and the US TD Charitable Foundation contribution of 50,373. 

<sup>4</sup> Limited in-person financial education events were held in fiscal 2020 due to COVID-19 which resulted in fewer total events and attendees.



## 4.5 Responsible Sourcing

	2020	2019	2018
Number of suppliers assessed against the updated Supplier Code of Conduct	<b>34<sup>1</sup></b>	197	89

<sup>1</sup> See [page 61](#) of this report for additional context on the decrease.

## 4.6 Customer Experience

### Legendary Customer Experience

Objective		2021 Target <sup>1</sup>	2020 Result (target in brackets)	Progress	2019 Result
Deliver legendary customer service	Legendary Experience Index – TD Composite Score	67.1	 <b>67.57 (67.72)</b>	Not met <sup>2</sup>	 67.79 <sup>1</sup>

<sup>1</sup> Significant methodology changes for 2021 do not allow comparisons to previous years' performance. Key changes include program weighting changes for TDBFG, TDCT Digital, TD Bank Digital and TD Insurance Claims; and program roll up changes for TDCT Phone and TD Bank Phone.

<sup>2</sup> See [page 64](#) of this report for additional context.

## Customer complaints

In 2020, we experienced an increase in recorded complaints due to growing customer/transactions, enhanced customer and resolution processes, as well as an increase of complaints during the onset of COVID-19 as TD managed through a higher volume of deferral requests and customers experienced longer wait times.

The top three complaints in 2020 were **possible fraud, product features and quality of service by the line of business.**

### Customer Complaint Resolution

Canada	2020	2019	2018
Number of problems referred to Canadian Personal Banking Customer Care	<b>20,849<sup>1</sup></b>	16,401 <sup>2</sup>	13,103
Number of customers who contacted the TD Ombudsman	<b>4,309</b>	4,380	3,846
Number of complaints requiring investigation by the TD Ombudsman	<b>1,370</b>	971	774
Percentage of complaints resolved by the TD Ombudsman <sup>3</sup> within 90 days (target 90%)	<b>96%</b>	99%	99.5%
Complaints investigated by the OBSI <sup>4</sup> and ADR Chambers Banking Ombuds Office	<b>216</b>	246	177
Percentage of complaints investigated by the OBSI <sup>3</sup> ADR Chambers Banking Ombuds Office where the resolution differed from the TD Ombudsman	<b>6%</b>	5%	6%
U.S.			
Total number of complaints referred to the Chairman's Service Center	<b>17,778<sup>5</sup></b>	19,300	22,818
Percentage of escalated customer complaints resolved by the Chairman's Service Center within designated service level agreements (target 95%)	<b>97%</b>	97%	98%

<sup>1</sup> In 2020, we experienced an increase in recorded complaints due to growing customer/transactions, enhanced customer and resolution processes, as well as an increase of complaints during the onset of COVID-19 as TD managed through a higher volume of deferral requests and customers experienced longer wait times.

<sup>2</sup> In 2019, we experienced an increase in recorded complaints due to our growing customers/transactions, as well as enhanced customer and resolution processes.

<sup>3</sup> TD Office of the Ombudsman data includes Personal Banking, Business Banking, Fraud, Insurance and Wealth business lines (Canada).

<sup>4</sup> Ombudsman for Banking Services and Investments.

<sup>5</sup> In fiscal year 2020 complaints in the U.S. decreased 8%. The closed loop feedback was turned off as a result of COVID-19 to allow our employees to concentrate on helping customers on the front lines. Customer service remained the top concern in 2020 followed by product knowledge, misinformation and account discrepancy, and error.



## 4.7 Product and Service Responsibility

### Three-Year Performance

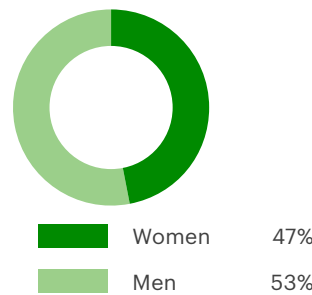
Savings Plans	2020	2019	2018
Amount saved through automated savings plans (in billions) <sup>1</sup>	\$5.10	\$4.60	\$4.50
Payments facilitated by CLB (in millions) <sup>2</sup>	\$26.70	\$23.80	\$22.00
Financial Hardship Services			
Restructured loans (in millions) <sup>2,3</sup>	\$53.86 <sup>3</sup>	\$111.10	\$78.00
Number of Canadian customers helped through TD Helps <sup>2,3</sup>	52,746 <sup>3</sup>	15,487	17,639
Restructured troubled real estate assets (in millions USD)	\$11.08 <sup>4</sup>	\$114.90	\$176.60
Number of U.S. customers helped by restructured real estate assets	115 <sup>4</sup>	388	536

<sup>1</sup> For more information on automated savings plans, refer to <https://www.td.com/ca/en/personal-banking/how-to/ways-to-save/automated-savings/>  
<sup>2</sup> Through TD Helps, a program that supports customers in Canada facing financial challenges, customers are encouraged to talk to us so we can help get them back on track before it's too late.  
<sup>3</sup> The number of Canadian customers helped through TD Helps increased since customers were seeking shorter term solutions to overcome financial hardship during COVID-19, such as deferrals, compared to longer term solutions, such as restructuring.  
<sup>4</sup> There was a decrease in restructured troubled real estate assets due to COVID-19 since fewer customers requested loan modifications and instead entered forbearance plans.

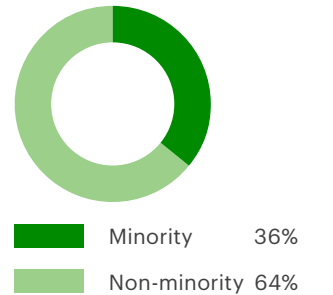
## 4.8 Diversity and Inclusion

### Total Executive Appointments<sup>1,2,3</sup>

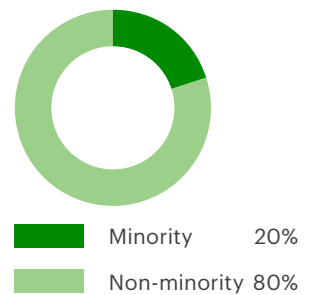
#### Global – Executive appointments by gender



#### Canada – Executive appointments by ethnicity



#### U.S. – Executive appointments by ethnicity



<sup>1</sup> Disclosure does not include other non-binary genders as this is a small set of data, thus we have only disclosed male and female.  
<sup>2</sup> Executive appointments include all promotions into AVP and above.  
<sup>3</sup> Gender results are reported at the global level, however the results for ethnicity are reported separately for Canada and U.S.

### Workforce Diversity

WOMEN			
Global <sup>1</sup>	2020	2019	2018
Women on Board (% of all Directors)	42%	36%	36%
Overall	✓ 57.0%	✓ 56.9%	✓ 57.9%
Top management <sup>2</sup>	23.3%	25.0%	26.9%
Senior management <sup>3</sup>	✓ 38.4%	✓ 36.8%	✓ 36.1%
Middle management <sup>4</sup>	✓ 45.3%	✓ 45.0%	✓ 44.8%
Canada <sup>5</sup>			
Overall	✓ 55.4%	✓ 55.4%	✓ 56.4%
Senior management <sup>3,9</sup>	✓ 40.0%	✓ 38.2%	✓ 39.1%
Middle management <sup>4</sup>	✓ 45.1%	✓ 44.7%	✓ 44.5%
U.S. <sup>6</sup>			
Overall	61.3%	61.0%	63.2%
Executives <sup>7,10</sup>	24.5%	35.6%	27.6%
First/mid-level managers <sup>8</sup>	49.6%	50.2%	53.3%

<sup>1</sup> Includes all full-time and part-time employees, excluding those on long-term disability (LTD), as at October 31.  
<sup>2</sup> Top Management includes board-titled officers of the bank, Executive Vice President and above.  
<sup>3</sup> Senior Management includes Vice President level and above (in the U.S. this includes bank-titled Vice Presidents and above only).  
<sup>4</sup> Middle management is defined as Level 8 to AVP.  
<sup>5</sup> Includes all Canadian businesses and full-time and part-time employees, excluding those on LTD.  
<sup>6</sup> Includes TD, America's Most Convenient Bank<sup>®</sup> employees, excluding those on LTD. The first year that TD publicly disclosed diversity representation data in the U.S. was 2017.  
<sup>7</sup> EEO-1 Category A. This refers to executive/senior-level officials and managers.  
<sup>8</sup> EEO-1 Category B. This refers to first/mid-level officials and managers.  
<sup>9</sup> Goal of having women in 40% of the roles of titled Vice President and above in Canada was achieved in 2020.  
<sup>10</sup> The methodology used to calculate the executive population in the U.S. was updated in 2020 which contributed to the variance. As such, these values are not comparable with previously published values for prior years.

<b>VISIBLE MINORITIES AND MINORITIES</b>				
Visible Minorities <sup>1</sup>	<b>Canada<sup>2</sup></b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
	Overall	✓ <b>39.2%</b>	✓ 38.1%	✓ 30.7%
	Senior management <sup>3</sup>	✓ <b>19.6%</b>	✓ 17.6%	✓ 16.3%
	Middle and other management <sup>4</sup>	✓ <b>40.0%</b>	✓ 38.8%	✓ 31.6%
Minorities <sup>1</sup>	<b>U.S.<sup>5</sup></b>			
	Overall	<b>36.9%</b>	36.8%	40.4%
	Executives <sup>6</sup>	<b>10.9%</b>	16.8%	15.3%
	First/mid-level managers <sup>7</sup>	<b>29.1%</b>	28.4%	27.0%
<b>INDIGENOUS PEOPLES<sup>1</sup></b>				
<b>Canada<sup>2</sup></b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	
Overall	✓ <b>1.5%</b>	✓ 1.5%	✓ 1.3%	
Senior management <sup>3</sup>	<b>1.1%</b>	1.1%	1.1%	
Middle and other management <sup>4</sup>	<b>1.1%</b>	1.1%	0.9%	
<b>PEOPLE WITH DISABILITIES<sup>1</sup></b>				
<b>Canada<sup>2</sup></b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	
Overall	✓ <b>8.0%</b>	✓ 7.8%	✓ 6.6%	
Senior management <sup>3</sup>	<b>6.1%</b>	7.0%	5.9%	
Middle and other management <sup>4</sup>	<b>7.4%</b>	7.0%	5.7%	

<sup>1</sup> Data is voluntarily disclosed by employees.

<sup>2</sup> Includes all Canadian businesses and full-time and part-time employees, excluding those on LTD.

<sup>3</sup> Senior Management includes Vice President level and above.

<sup>4</sup> Middle management is defined as Level 8 to AVP.

<sup>5</sup> Includes TD, America's Most Convenient Bank® employees, excluding those on LTD. The first year that TD publicly disclosed diversity representation data in the U.S. was 2017.

<sup>6</sup> EEO-1 Category A. This refers to executive/senior-level officials and managers.

<sup>7</sup> EEO-1 Category B. This refers to first/mid-level officials and managers.

### Percentage of employees per position level by gender<sup>1</sup>

<b>Global Overall</b>	<b>2020</b>	<b>2019<sup>6</sup></b>	<b>2018<sup>6</sup></b>
Women	<b>57.0%</b>	-	-
Men	<b>42.7%</b>	-	-
<b>Senior management<sup>2</sup></b>			
Women	<b>38.4%</b>	-	-
Men	<b>61.5%</b>	-	-
<b>Middle and other management<sup>3</sup></b>			
Women	<b>45.3%</b>	-	-
Men	<b>54.6%</b>	-	-
<b>Canada Overall</b>			
Women	<b>55.4%</b>	-	-
Men	<b>44.4%</b>	-	-
<b>Senior management<sup>2</sup></b>			
Women	<b>40.0%</b>	-	-
Men	<b>59.8%</b>	-	-
<b>Middle and other management<sup>3</sup></b>			
Women	<b>45.1%</b>	-	-
Men	<b>54.8%</b>	-	-
<b>U.S. Overall</b>			
Women	<b>61.3%</b>	-	-
Men	<b>38.3%</b>	-	-
<b>Executive<sup>4</sup></b>			
Women	<b>24.6%</b>	-	-
Men	<b>75.5%</b>	-	-
<b>First/mid-level managers<sup>5</sup></b>			
Women	<b>49.6%</b>	-	-
Men	<b>50.2%</b>	-	-

<sup>1</sup> Disclosure does not include other non-binary genders as this is a small set of data, thus we have only disclosed women and men. Totals may not add up given that this subset of data is not disclosed.

<sup>2</sup> Senior Management includes Vice President level and above.

<sup>3</sup> Middle management is defined as Level 8 to AVP.

<sup>4</sup> EEO-1 Category A. This refers to executive/senior-level officials and managers.

<sup>5</sup> EEO-1 Category B. This refers to first/mid-level officials and managers.

<sup>6</sup> The first year this data was disclosed was in 2020.

## 4.9 Talent Attraction, Development and Retention

### Employee by contract type<sup>1</sup>

	2020		2019		2020	2019
	Employees	Contractors	Employees	Contractors	Total	Total
Canada	<b>63,800</b>	<b>2,693</b>	64,688	3,217	<b>66,493</b>	67,905
U.S.	<b>27,984</b>	<b>677</b>	28,118	361	<b>28,661</b>	28,479
International	<b>887</b>	<b>0</b>	808	0	<b>887</b>	808
<b>Global</b>	<b>92,671</b>	<b>3,370</b>	93,614	3,578	<b>96,041</b>	97,192

### Workforce Profile<sup>2</sup>

(as at October 31, 2020)

CANADA				
Province or Territory <sup>3</sup>	Full-time	Part-time <sup>4</sup>	2020	2019
Alberta	3,244	858	<b>4,102</b>	4,276
British Columbia	3,110	1,164	<b>4,274</b>	4,518
Manitoba	416	148	<b>564</b>	612
New Brunswick	1,754	170	<b>1,924</b>	1,661
Newfoundland and Labrador	117	29	<b>146</b>	160
Northwest Territories	8	1	<b>9</b>	10
Nova Scotia	1,061	114	<b>1,175</b>	1,181
Ontario	39,953	5,894	<b>45,847</b>	46,300
Prince Edward Island	46	14	<b>60</b>	65
Quebec	4,147	1,015	<b>5,162</b>	5,280
Saskatchewan	412	107	<b>519</b>	606
Yukon	14	4	<b>18</b>	19
<b>Total Canada</b>	<b>54,282</b>	<b>9,518</b>	<b>63,800</b>	64,688

U.S.				
State	Full-time	Part-time <sup>5</sup>	2020	2019
Connecticut	565	180	<b>745</b>	780
Delaware	431	22	<b>453</b>	433
District of Columbia	81	6	<b>87</b>	97
Florida	2,026	408	<b>2,434</b>	2,360
Maine	2,917	174	<b>3,091</b>	3,083
Maryland	193	27	<b>220</b>	229
Massachusetts	1,400	238	<b>1,638</b>	1,696
Michigan	457	5	<b>462</b>	456
New Hampshire	640	139	<b>779</b>	812
New Jersey	6,982	1,033	<b>8,015</b>	8,239
New York	3,696	775	<b>4,471</b>	4,574
North Carolina	267	18	<b>285</b>	288
Pennsylvania	881	261	<b>1,142</b>	1,192
Rhode Island	96	14	<b>110</b>	113
South Carolina	3,060	153	<b>3,213</b>	2,954
Texas	94		<b>94</b>	94
Vermont	241	12	<b>253</b>	275
Virginia	230	39	<b>269</b>	272
Other <sup>6</sup>	222	1	<b>223</b>	171
<b>Total U.S.</b>	<b>24,479</b>	<b>3,505</b>	<b>27,984</b>	28,118
INTERNATIONAL				
Total International	867	20	<b>887</b>	808
<b>Total</b>	<b>79,628</b>	<b>13,043</b>	<b>92,671</b>	93,614

<sup>1</sup> The data, as of October 31, 2020, demonstrates that we predominantly hire direct employees - and do not rely on a large contingent of contract workers to operate our business. We count contract workers as individuals who perform temporary services for TD, but are not paid by TD and are not typically eligible for incentive bonus plans, vacation pay, benefits and retirement benefits from TD.

<sup>2</sup> All data reflects headcount rather than full-time equivalent.

<sup>3</sup> TD had no full-time, part-time or casual employees in Nunavut.

<sup>4</sup> Employee counts includes all active, TD Paid employees (full-time, part-time and casual), with the exception of those on LTD.

<sup>5</sup> Part-time includes both part-time and casual employees.

<sup>6</sup> U.S. states with less than 40 employees have been consolidated for the purposes of reporting.

Investing in Talent<sup>1</sup>

	2020	2019	2018
Employees who have worked at TD for more than 25 years	5,944	6,222	5,912
Job applicants in North America	884,101	1,069,791	898,532
Hiring manager interviews	47,731	69,662	70,121
Percentage of positions filled within TD (Canada and the U.S.)	53.8%	49.1%	55.8%
Hires	27,087	40,082	47,204
Percentage of women hired	53.4%	51.9%	– <sup>3</sup>
Percentage of women promoted in Canada <sup>2</sup>	53.5%	56.7%	53.3%

<sup>1</sup> Data reflects head count rather than full-time equivalent.

<sup>2</sup> Figure represents the percentage of promotions earned by women in Canada.

<sup>3</sup> The first year this data was disclosed was in fiscal year 2019.

## Global Training and Development

	2020	2019	2018
Investing in training (millions) <sup>1,2</sup>	\$72.1 <sup>3</sup>	\$85.9 <sup>4</sup>	\$91.7
Investment in training per employee <sup>1,2</sup>	\$778	\$918	\$971
Amount employees received through TD's tuition assistance (millions)	\$6.7	\$9.6	\$9.8
Average number of days of training <sup>5</sup>	5.3 <sup>8</sup>	7.2	5.7
Average hours of training <sup>6</sup> per:			
Executive <sup>6,7</sup>	13 <sup>8</sup>	49	56
People manager <sup>6,7</sup>	27 <sup>8</sup>	46	41
Employee (non-manager) <sup>6,7</sup>	44 <sup>8</sup>	56	46

<sup>1</sup> Includes the courses available through TD's MyLearning System, as well as external courses, certificates and accreditations.

<sup>2</sup> Investment in training may not capture all project or program costs incurred by the business, including business transformation projects where learning-related costs are captured through a separate system.

<sup>3</sup> The decrease in 2020 is a result of the temporary shift of focus from Enterprise Learning in response to COVID-19 to address the immediate need of enabling TD employees to work from home, supporting employees to build critical skills, and enhancing diversity and inclusion awareness among employees.

<sup>4</sup> Despite the overall decrease in 2019, there has been increased investment in Core Corporate Learning and Development, TD Thrive, Technology Solutions and Finance and TD Securities.

<sup>5</sup> An average day is considered eight hours for U.S. employees and 7.5 for all other employees.

<sup>6</sup> Excludes training hours tracked outside of TD's MyLearning System because the data is not available and cannot be reasonably estimated.

<sup>7</sup> Executive includes TD job levels AVP 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.

<sup>8</sup> Limited in-person classes were held due to the COVID-19 pandemic which resulted in less all day sessions in fiscal year 2020.

## Employee Engagement Scores

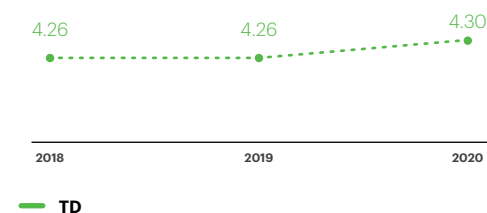
Objective	Progress	2021 Target	2020 Result (target in brackets)	2019 Result (target in brackets)	2018 Result (target in brackets)
Provide a great place to work	Met	84%	✓ 85% (82%)	✓ 84% (82%)	✓ 84% (82%)

Employee Engagement Scores by Gender<sup>1</sup>

	2020	2019	2018
Your Overall Experience	✓ 85%	✓ 84%	✓ 84%
Women	86%	– <sup>2</sup>	– <sup>2</sup>
Men	85%	– <sup>2</sup>	– <sup>2</sup>

<sup>1</sup> Disclosure does not include other non-binary genders as this is a small set of data, thus we have only disclosed men and women.

<sup>2</sup> The first year this data was calculated was in fiscal year 2020.

Employee Engagement<sup>1</sup>

<sup>1</sup> Employee Engagement Index (EEI) is our measure of overall employee engagement and is calculated using the average response (on a scale of one to five) to three questions. See the first three questions in the Pulse Survey Results table below.

Pulse Survey Results<sup>1</sup>

	2020	2019	2018
EEI Composite:			
My work gives me a personal feeling of accomplishment	81%	79%	80%
I plan to be with TD one year from now	86%	84%	84%
I am proud to say I work for TD	90%	88%	87%
TD is doing the right things to make a positive impact on the communities in which it does business	90%	89%	89%
TD is doing the right things to make a positive impact on the environment (target 87%)	88%	87%	88%
TD supports employees' ambitions to get involved in corporate responsibility initiatives (e.g., community or environmental initiatives)	89%	89%	89%

<sup>1</sup> Percentage of respondents who agreed or strongly agreed with the statement.

## Employee Turnover

Objective		2020 Result	2019 Result	2018 Result
Provide a great place to work	Average global turnover	✓ 14.5%	18.5%	✓ 20.0%

	2020			2019			2018
	Overall	Women	Men	Overall	Women	Men	Overall
Average global turnover rate	✓ 14.5%	14.1%	14.8%	✓ 18.5%	17.7%	18.8%	✓ 20.0%
<b>Canada</b>							
Voluntary <sup>1</sup>	✓ 10.2%	9.2%	11.2%	✓ 13.1%	11.8%	14.2%	✓ 14.3%
Involuntary <sup>2</sup>	✓ 1.6%	1.2%	2.0%	✓ 2.0%	1.5%	2.4%	✓ 2.7%
Retirement	✓ 1.1%	1.5%	0.6%	✓ 1.1%	1.5%	0.6%	✓ 1.5%
<b>Total<sup>3</sup></b>	✓ 12.8%	11.9%	13.7%	✓ 16.2%	14.8%	17.2%	✓ 18.5%
<b>U.S.</b>							
Voluntary <sup>1</sup>	✓ 14.4%	14.7%	14.0%	✓ 17.8%	18.2%	16.6%	✓ 17.8%
Involuntary <sup>2</sup>	✓ 3.1%	3.1%	3.1%	✓ 5.2%	4.7%	6.0%	✓ 4.6%
Retirement	✓ 0.7%	0.7%	0.6%	✓ 0.7%	0.8%	0.6%	✓ 0.6%
<b>Total<sup>3</sup></b>	✓ 18.3%	18.5%	17.8%	✓ 23.7%	23.6%	23.1%	✓ 23.0%

<sup>1</sup> A voluntary exit from TD occurs when the employee chooses to leave TD.

<sup>2</sup> An involuntary exit from TD occurs when employment is terminated. In 2020, involuntary terminations were not related to COVID-19.

<sup>3</sup> Totals may not add up due to rounding.

## 4.10 Health and Well-being

Workplace Health and Safety<sup>1</sup>

	2020	2019	2018
<b>Canada</b>			
Minor injuries <sup>2</sup>	207 (0.32%)	402 (0.62%)	359 (0.57%)
Disabling injuries <sup>3</sup>	121 (0.19%)	172 (0.27%)	290 (0.46%)
Employee days absent beyond day of injury	1,367 <sup>4</sup>	2,140	3,485
Fatalities due to work-related accidents	0	0	0
<b>U.S.</b>			
Medical/report only claims filed through workers' compensation <sup>5</sup>	312	397	420
Indemnity claims filed through workers' compensation	39	58	33
Employee days absent beyond day of injury	757 <sup>4</sup>	2,912	1,912
Fatalities due to work-related accidents	0	0	0
<b>North America</b>			
Absentee Rate <sup>6</sup>	2.61%	1.98%	- <sup>7</sup>

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

<sup>2</sup> Injuries that are treatable in the workplace, with no time lost beyond the day of injury.

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

<sup>4</sup> The number of and severity of disabling accidents have decreased as greater number of employees working from home due to COVID-19, resulting in fewer days absent.

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

<sup>6</sup> Represents the number of, or our calculated estimate of the number of, sick days taken due to minor illnesses or workplace injury, and personal days taken, as reported in our online time reporting system divided by average full-time equivalent. Weighted average is applied to the constituent businesses to attain a combined rate for North America. Due to limitations on available data, in some cases, estimates have been used and therefore the actual absentee rate may differ.

<sup>7</sup> The first year this data was calculated was in fiscal year 2019.

# 2020 SASB Index

SASB Disclosure	Accounting Metric	2020 Disclosure
<b>Activity Metrics – Asset Management &amp; Custody Activities</b>		
FN-AC-000.A	(1) Total registered and (2) total unregistered assets under management (AUM)	Table 16 on page 34 of the TD's <a href="#">2020 Annual Report (AR)</a> (for Canada AUM) Table 18 on page 38 of the <a href="#">AR</a> (for US AUM) TD does not disclose registered vs. unregistered.
FN-AC-000.B	Total assets under custody and supervision	<a href="#">G-SIB Disclosure Template</a>
<b>Activity Metrics – Commercial Banks</b>		
FN-CB-000.A	(1) Number and (2) value of checking and savings accounts by segment: (a) personal and (b) small business	Pages 8–9 of the <a href="#">2020-Q4 Supplemental Financial Information (SFI)</a> – Average deposits in Canada and U.S. Retail, breakdown by personal, business and other.  TD does not disclose the number of accounts, or the breakdown of chequing and savings accounts or the amounts specifically related to small business.
FN-CB-000.B	(1) Number and (2) value of loans by segment: (a) personal, (b) small business, and (c) corporate	Pages 8–9 of the <a href="#">2020-Q4 Supplemental Financial Information (SFI)</a> – Average loans in Canadian and U.S. Retail, breakdown by personal and business.  TD does not disclose the number of loans or the breakdown between small business and corporate.
<b>Activity Metrics – Consumer Finance</b>		
FN-CF-000.B	Number of (1) credit card accounts and (2) pre-paid debit card accounts	Page 49–50 of the <a href="#">AR</a> – Table 24: Loans and Acceptances, Net of Stage 3 Allowance for Loan Losses by Industry Sector (Total credit card loans in Canada and U.S.)  TD does not disclose the number of accounts.
<b>Activity Metrics – Mortgage Finance</b>		
FN-MF-000.A	(1) Number and (2) value of mortgages originated by category: (a) residential and (b) commercial	Page 49–50 of the <a href="#">AR</a> – Table 24: Loans and Acceptances, Net of Stage 3 Allowance for Loan Losses by Industry Sector (Total residential mortgages in Canada and U.S.)  TD does not disclose the number of mortgages originated.
FN-MF-000.B	(1) Number and (2) value of mortgages purchased by category: (a) residential and (b) commercial	Page 49–50 of the <a href="#">AR</a> – Table 24: Loans and Acceptances, Net of Stage 3 Allowance for Loan Losses by Industry Sector (Total residential mortgages in Canada and U.S.)  TD does not disclose the number of mortgages originated.

SASB Disclosure	Accounting Metric	2020 Disclosure
<b>Business Ethics</b>		
FN-AC-510a.1 FN-CB-510a.1 FN-IB-510a.1	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations	<p>Page 206 of the <a href="#">AR</a> – Note 27: Provisions, Contingent Liabilities, Commitments, Guarantees, Pledged Assets, and Collateral, which provides information regarding the Bank’s provisions, as well as reasonably possible losses in its legal and regulatory actions (that is, those which are neither probable nor remote), in excess of provisions, but does not disclose whether such losses are as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations.</p> <p>The Bank provides disclosure regarding the material legal proceedings to which it and its direct and indirect subsidiaries are a party in its annual report to shareholders.</p> <p>TD does not disclose the amount.</p>
FN-AC-510a.2 FN-CB-510a.2 FN-IB-510a.2	Description of whistleblower policies and procedures	<p><a href="#">Page 28</a> of this report (Promoting Responsible Conduct)</p> <p><a href="#">TD Conduct and Ethics Hotline</a></p> <p>Page 17 of <a href="#">TD Code of Conduct and Ethics</a></p> <p><a href="#">TD Slavery and Human Trafficking Statement</a></p>
<b>Systemic Risk Management</b>		
FN-AC-550a.2	Description of approach to incorporation of liquidity risk management programs into portfolio strategy and redemption risk management	<p>Page 97 of the <a href="#">AR</a> (Managing Risk section, Liquidity Risk sub-section)</p> <p>TD does not discuss redemption risk management</p>
FN-AC-550a.3	Total exposure to securities financing transactions	Page 6 of the <a href="#">2020-Q4 Supplementary Regulatory Disclosure</a>
FN-CB-550a.1 FN-IB-550a.1	Global Systemically Important Bank (G-SIB) score, by category	<a href="#">G-SIB Disclosure Template</a>
FN-CB-550a.2 FN-IB-550a.2	Description of approach to incorporation of results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy, and other business activities	Pages 84 and 93 of the <a href="#">AR</a> (Managing Risk section, Stress Testing sub-section)
<b>Professional Integrity</b>		
FN-IB-510b.1	(1) Number and (2) percentage of covered employees with a record of investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings	<p>In the ordinary course of business, the Bank and its subsidiaries are involved in various legal and regulatory actions including but not limited to civil claims and lawsuits, regulatory examinations, investigations, audits and requests for information by various governmental regulatory agencies and law enforcement authorities in various jurisdictions. In addition, from time to time, in the ordinary course of business, the Bank and its subsidiaries are assessed fees or fines by securities regulatory authorities in relation to administrative matters, including late filings or reporting, which may be considered penalties or sanctions pursuant to Canadian securities regulations, but which are not, individually or in the aggregate, material to the Bank. In addition, the Bank and its subsidiaries are subject to numerous regulatory authorities around the world, and fees, administrative penalties, settlement agreements and sanctions may be categorized differently by each regulator. The Bank provides disclosure regarding the material legal proceedings to which it and its direct and indirect subsidiaries are a party in its annual report to shareholders.</p>

SASB Disclosure	Accounting Metric	2020 Disclosure
FN-IB-510b.2	Number of mediation and arbitration cases associated with professional integrity, including duty of care, by party	In the ordinary course of business, the Bank and its subsidiaries are involved in various legal and regulatory actions including but not limited to civil claims and lawsuits, regulatory examinations, investigations, audits and requests for information by various governmental regulatory agencies and law enforcement authorities in various jurisdictions. In addition, from time to time, in the ordinary course of business, the Bank and its subsidiaries are assessed fees or fines by securities regulatory authorities in relation to administrative matters, including late filings or reporting, which may be considered penalties or sanctions pursuant to Canadian securities regulations, but which are not, individually or in the aggregate, material to the Bank. In addition, the Bank and its subsidiaries are subject to numerous regulatory authorities around the world, and fees, administrative penalties, settlement agreements and sanctions may be categorized differently by each regulator. The Bank provides disclosure regarding the material legal proceedings to which it and its direct and indirect subsidiaries are a party in its annual report to shareholders.
FN-IB-510b.3	Total amount of monetary losses as a result of legal proceedings associated with professional integrity, including duty of care	<p>Page 206 of the <a href="#">AR</a> – Note 27: Provisions, Contingent Liabilities, Commitments, Guarantees, Pledged Assets, and Collateral, which provides information regarding the Bank’s provisions, as well as reasonably possible losses in its legal and regulatory actions (that is, those which are neither probable nor remote), in excess of provisions, but does not disclose whether such losses are as a result of legal proceedings associated with professional integrity, including duty of care.</p> <p>The Bank provides disclosure regarding the material legal proceedings to which it and its direct and indirect subsidiaries are a party in its annual report to shareholders.</p> <p>TD does not disclose the amount.</p>
FN-IB-510b.4	Description of approach to ensuring professional integrity, including duty of care	<a href="#">TD Code of Conduct and Ethics</a>
<b>Data Security</b>		
FN-CB-230a.1 FN-CF-230a.1	1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of account holders affected	<p><a href="#">Page 35</a> and <a href="#">page 80</a> of this report (Data Security and Privacy)</p> <p>Page 75 of the <a href="#">AR</a> (Top and Emerging Risks – Technology and Cyber Security Risk)</p> <p>TD does not disclose the number of data breaches, percentage of PII and number of account holders affected.</p>
FN-CB-230a.2 FN-CF-230a.3	Description of approach to identifying and addressing data security risks	<p><a href="#">Page 35</a> of this report (Data Security and Privacy)</p> <p>Page 75 and 95 of the <a href="#">AR</a> (Top and Emerging Risks – Technology and Cyber Security Risk; Operational Risk – Technology and Cyber Security)</p>
<b>Customer Privacy</b>		
FN-CF-220a.1	Number of account holders whose information is used for secondary purposes	<p><a href="#">Privacy Commitment</a> (Policies and procedures about the collection, use and disclosure of customer information)</p> <p>TD does not disclose the number of account holders whose information is used for secondary purposes.</p>



SASB Disclosure	Accounting Metric	2020 Disclosure
FN-CF-220a.2	Total amount of monetary losses as a result of legal proceedings associated with customer privacy	<p>Page 206 of the <a href="#">AR</a> – Note 27: Provisions, Contingent Liabilities, Commitments, Guarantees, Pledged Assets, and Collateral, which provides information regarding the Bank’s provisions, as well as reasonably possible losses in its legal and regulatory actions (that is, those which are neither probable nor remote), in excess of provisions, but does not disclose whether such losses are as a result of legal proceedings associated with customer privacy.</p> <p>The Bank provides disclosure regarding the material legal proceedings to which it and its direct and indirect subsidiaries are a party in its annual report to shareholders.</p> <p>TD does not disclose the amount.</p>
<b>Transparent Information &amp; Fair Advice for Customers</b>		
FN-AC-270a.1	(1) Number and (2) percentage of covered employees with a record of investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings	<p>In the ordinary course of business, the Bank and its subsidiaries are involved in various legal and regulatory actions including but not limited to civil claims and lawsuits, regulatory examinations, investigations, audits and requests for information by various governmental regulatory agencies and law enforcement authorities in various jurisdictions. In addition, from time to time, in the ordinary course of business, the Bank and its subsidiaries are assessed fees or fines by securities regulatory authorities in relation to administrative matters, including late filings or reporting, which may be considered penalties or sanctions pursuant to Canadian securities regulations, but which are not, individually or in the aggregate, material to the Bank. In addition, the Bank and its subsidiaries are subject to numerous regulatory authorities around the world, and fees, administrative penalties, settlement agreements and sanctions may be categorized differently by each regulator. The Bank provides disclosure regarding the material legal proceedings to which it and its direct and indirect subsidiaries are a party in its annual report to shareholders.</p>
FN-AC-270a.2 FN-IN-270a.1	Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of financial/insurance product related information to new and returning customers	<p>Page 206 of the <a href="#">AR</a> – Note 27: Provisions, Contingent Liabilities, Commitments, Guarantees, Pledged Assets, and Collateral, which provides information regarding the Bank’s provisions, as well as reasonably possible losses in its legal and regulatory actions (that is, those which are neither probable nor remote), in excess of provisions, but does not disclose whether such losses are as a result of legal proceedings associated with marketing and communication of financial/insurance product related information to new and returning customers.</p> <p>The Bank provides disclosure regarding the material legal proceedings to which it and its direct and indirect subsidiaries are a party in its annual report to shareholders.</p> <p>TD does not disclose the amount.</p>

SASB Disclosure	Accounting Metric	2020 Disclosure
FN-AC-270a.3 FN-IN-270a.4	Description of approach to informing customers about products and services	<a href="#">Page 66</a> of this report (Educating Our Customers with Clear Language and Communication) <a href="#">Codes of Conduct and Public Commitments</a>
<b>Selling Practices</b>		
FN-CF-270a.5	Total amount of monetary losses as a result of legal proceedings associated with selling and servicing of products	Page 206 of the <a href="#">AR</a> – Note 27: Provisions, Contingent Liabilities, Commitments, Guarantees, Pledged Assets, and Collateral, which provides information regarding the Bank’s provisions, as well as reasonably possible losses in its legal and regulatory actions (that is, those which are neither probable nor remote), in excess of provisions, but does not disclose whether such losses are as a result of legal proceedings associated with selling and servicing of products.  The Bank provides disclosure regarding the material legal proceedings to which it and its direct and indirect subsidiaries are a party in its annual report to shareholders.  TD does not disclose the amount.
<b>Lending Practices</b>		
FN-MF-270a.3	Total amount of monetary losses as a result of legal proceedings associated with communications to customers or remuneration of loan originators	Page 206 of the <a href="#">AR</a> – Note 27: Provisions, Contingent Liabilities, Commitments, Guarantees, Pledged Assets, and Collateral, which provides information regarding the Bank’s provisions, as well as reasonably possible losses in its legal and regulatory actions (that is, those which are neither probable nor remote), in excess of provisions, but does not disclose whether such losses are as a result of legal proceedings associated with communications to customers or remuneration of loan originators.  The Bank provides disclosure regarding the material legal proceedings to which it and its direct and indirect subsidiaries are a party in its annual report to shareholders.  TD does not disclose the amount.
<b>Discriminatory Lending</b>		
FN-MF-270b.1	(1) Number, (2) value, and (3) weighted average Loan-to-Value (LTV) ratio of mortgages issued to (a) minority and (b) all other borrowers, by FICO scores above and below 660	Page 53 of the <a href="#">AR</a> – Table 29: Average LTV for uninsured newly originated and newly acquired residential mortgages  Page 57 of <a href="#">2020 Q4 Quarterly Results Presentation</a> (U.S. Real Estate Secured Lending Portfolio – Indexed LTV Distribution and Refreshed FICO Scores)  TD does not disclose the breakdown by minorities or FICO score, and the number of mortgages.

SASB Disclosure	Accounting Metric	2020 Disclosure
FN-MF-270b.2	Total amount of monetary losses as a result of legal proceedings associated with discriminatory mortgage lending	<p>Page 206 of the <a href="#">AR</a> – Note 27: Provisions, Contingent Liabilities, Commitments, Guarantees, Pledged Assets, and Collateral, which provides information regarding the Bank’s provisions, as well as reasonably possible losses in its legal and regulatory actions (that is, those which are neither probable nor remote), in excess of provisions, but does not disclose whether such losses are as a result of legal proceedings associated with discriminatory mortgage lending.</p> <p>The Bank provides disclosure regarding the material legal proceedings to which it and its direct and indirect subsidiaries are a party in its annual report to shareholders.</p> <p>TD does not disclose the amount.</p>
FN-MF-270b.3	Description of policies and procedures for ensuring non-discriminatory mortgage origination	<p><a href="#">Page 68</a> of this report (Product and Service Responsibility – Protecting Our Customers)</p> <p><a href="#">TD Code of Conduct and Ethics</a></p> <p><a href="#">TD Human Rights Statement</a></p>
<b>Financial Inclusion &amp; Capacity Building</b>		
FN-CB-240a.1	(1) Number and (2) amount of loans outstanding qualified to programs designed to promote small business and community development	<p><a href="#">Page 91</a> of this report (Economic Value – Small Business Loans)</p> <p><a href="#">Page 93</a> of this report (Social Inclusion – Community Development Loans)</p>
FN-CB-240a.3	Number of no-cost retail checking accounts provided to previously unbanked or underbanked customers	<p>Page 7 of the <a href="#">Public Accountability Statement (Access to Banking)</a></p> <p>TD does not disclose the number of no-cost retail checking accounts.</p>
FN-CB-240a.4	Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers	<p><a href="#">Page 91</a> of this report (Financial and Economic Inclusion – Number of participants in TD-sponsored financial education programs)</p> <p><a href="#">Page 91</a> of this report (Financial and Economic Inclusion – Number of financial education classes in LMI communities in the U.S. and number of attendees)</p> <p>TD does not disclose the number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers.</p>
<b>Incorporation of ESG Factors in Investment Management &amp; Advisory</b>		
FN-AC-410a.1	Amount of assets under management, by asset class, that employ (1) integration of ESG issues, (2) sustainability themed investing, and (3) screening	<p><a href="#">Page 47</a> of this report (Sustainable Finance – Investing)</p> <p>TD does not disclose amount of assets under management by asset class.</p>
FN-AC-410a.2	Description of approach to incorporation of ESG factors in investment and/or wealth management processes and strategies	<p><a href="#">Page 47</a> of this report (Sustainable Finance – Investing)</p> <p><a href="#">TDAM Sustainable Investing Approach</a></p>

SASB Disclosure	Accounting Metric	2020 Disclosure
FN-AC-410a.3	Description of proxy voting and investee engagement policies and procedures	<a href="#">Page 47</a> of this report (Investing) <a href="#">2019 Sustainable Investing Annual Review Summary</a> <a href="#">TDAM Sustainable Investing Approach</a> <a href="#">TDAM Sustainable Investing Website</a>
<b>Incorporation of ESG Factors in Credit Analysis</b>		
FN-CB-410a.1	Commercial and industrial credit exposure, by industry	<a href="#">Page 45</a> of this report and pages 19 and 21 of the TCFD Report (Gross Credit Risk Exposure to Power Generation and Gross Credit Risk Exposure to Environmentally Sensitive Industry Sectors)
FN-CB-410a.2	Description of approach to incorporation of ESG factors in credit analysis	<a href="#">Page 45</a> of this report and pages 19 and 21 of the TCFD Report (Gross Credit Risk Exposure to Power Generation and Gross Credit Risk Exposure to Environmentally Sensitive Industry Sectors) <a href="#">Page 41</a> of this report and page 21 of the <a href="#">TCFD Report</a> (Carbon-related assets to total assets) <a href="#">Page 44</a> of this report (Sustainable Finance – Lending – Environmental and Social Due Diligence) <a href="#">Page 85</a> of this report (Sustainable Finance – Lending – E&S Risk Review, Equator Principles) Environmental and Social Credit Risk Process
<b>Incorporation of ESG Factors in Investment Banking &amp; Brokerage Activities</b>		
FN-IB-410a.2	(1) Number and (2) total value of investments and loans incorporating integration of ESG factors, by industry	<a href="#">Pages 44-45</a> of this report (Sustainable Finance – Lending) <a href="#">Page 50</a> of this report (Sustainable Finance – GSS Bonds – Underwriting) TD does not disclose the number of investments and loans incorporating integration of ESG factors by industry.
FN-IB-410a.3	Description of approach to incorporation of ESG factors in investment banking and brokerage activities	<a href="#">Pages 44-45</a> of this report (Sustainable Finance – Lending) <a href="#">Page 50</a> of this report (Sustainable Finance – GSS Bonds) <a href="#">Page 85</a> of this report (Sustainable Finance – E&S Risk Review)
<b>Environmental Risk Exposure</b>		
FN-IN-450a.2	Total amount of monetary losses attributable to insurance payouts from (1) modelled natural catastrophes and (2) non-modelled natural catastrophes, by type of event and geographic segment (net and gross of reinsurance)	See page 196 of the <a href="#">AR</a> – Note 22: Insurance. TD does not disclose amounts specifically related to catastrophes, modeled or unmodeled. Furthermore, TD does not disclose breakdown by type of events, or geographical segments.
<b>Policies Designed to Incentivize Responsible Behavior</b>		
FN-IN-410b.2	Discussion of products and/or product features that incentivize health, safety, and/or environmentally responsible actions and/or behaviours	Principles for Sustainable Insurance – Annual Disclosure 2020 <a href="#">Page 42</a> of this report (Climate Change – Hybrid and Electric Vehicles insurance and examples of other insurance products)

SASB Disclosure	Accounting Metric	2020 Disclosure
<b>Employee Incentives &amp; Risk Taking</b>		
FN-IB-550b.1	Percentage of total remuneration that is variable for Material Risk Takers (MRTs)	Pages <a href="#">63–64 of the 2021 Management Proxy Circular (Material Risk Takers)</a>
FN-IB-550b.2	Percentage of variable remuneration of MRTs to which malus or clawback provisions were applied	Pages <a href="#">63–64 of the 2021 Management Proxy Circular (Reduction, Forfeiture, and Clawback of Incentive Compensation)</a>
FN-IB-550b.3	Discussion of policies around supervision, control, and validation of traders' pricing of Level 3 assets and liabilities	Page 151 of the <a href="#">AR</a> – Note 5: Fair Value Measurements – Valuation Governance TD discusses governance practice around the valuation of its financial instruments in general and not specifically to Level 3 assets and liabilities within the Investment Banking business
<b>Employee Diversity &amp; Inclusion</b>		
FN-AC-330a.1	Percentage of gender and racial/ethnic group representation for (1) executive management, (2) non-executive management, (3) professionals, and (4) all other employees	<a href="#">Pages 95–97</a> (breakdown of our global workforce numbers and diversity metrics), <a href="#">page 79</a> (Board diversity) and <a href="#">page 72</a> (TD's workforce profile for age and employee category) of this report.
FN-IB-330a.1		

# Endnotes

<sup>1</sup> <http://www.undp.org/content/undp/en/home/sustainable-development-goals.html>

<sup>2</sup> As of October 31, 2020.

<sup>3</sup> U.S. and Canadian workers will receive that amount in their local currencies, and employees outside of those countries will get a roughly equivalent award

<sup>4</sup> <https://www.pionline.com/esg/global-esg-data-driven-assets-hit-405-trillion>

<sup>5</sup> <https://www.riacanada.ca/news/canadian-esg-assets-surge-to-3-trillion/>

<sup>6</sup> [http://www3.weforum.org/docs/WEF\\_Global\\_Risk\\_Report\\_2020.pdf](http://www3.weforum.org/docs/WEF_Global_Risk_Report_2020.pdf)

<sup>7</sup> <https://www.ubs.com/global/en/asset-management/insights/panorama/mid-year/2020/covid-19-impacted-esg-investing.html>

<sup>8</sup> <https://www.unpri.org/pri-blogs/covid-19-accelerates-esg-trends-global-investors-confirm/6372.article>

<sup>9</sup> <https://www.jpmorgan.com/insights/research/covid-19-esg-investing>

<sup>10</sup> [https://www.investmentexecutive.com/inside-track/\\_dustyn-lanz/esg-and-covid-19-four-market-trends/](https://www.investmentexecutive.com/inside-track/_dustyn-lanz/esg-and-covid-19-four-market-trends/)

<sup>11</sup> <https://www.iccr.org/investor-statement-coronavirus-response>

<sup>12</sup> <https://www.reuters.com/article/us-usa-fed-stability-climate-idUSKBN27P2T9>

<sup>13</sup> <https://www.bankofcanada.ca/2020/11/bank-canada-osfi-launch-pilot-project-climate-risk-scenarios/#:~:text=The%20Bank's%20work%20on%20climate,of%20the%20Canadian%20financial%20system.&text=Early%20in%202021%2C%20OSFI%20will.resilience%20to%20climate%2Drelated%20risk>

<sup>14</sup> <https://www.cftc.gov/PressRoom/PressReleases/8234-20>

<sup>15</sup> <https://www.blackrock.com/us/individual/larry-fink-ceo-letter>

<sup>16</sup> <https://www.newswire.ca/news-releases/ceos-of-eight-leading-canadian-pension-plan-investment-managers-call-on-companies-and-investors-to-help-drive-sustainable-and-inclusive-economic-growth-844608554.html>

<sup>17</sup> <https://carbonaccountingfinancials.com/newsitem/the-partnership-for-carbon-accounting-financials-pcaf-launches-first-global-standard-to-measure-and-report-financed-emissions#newsitemtext>

<sup>18</sup> <https://www.ft.com/content/16644cb2-f0c1-4b32-b44c-647eb0ab938d>

<sup>19</sup> [https://www.osc.gov.on.ca/en/NewsEvents\\_nr\\_20190801\\_csa-guidance-on-climate-change-related-disclosure.htm](https://www.osc.gov.on.ca/en/NewsEvents_nr_20190801_csa-guidance-on-climate-change-related-disclosure.htm)

<sup>20</sup> <https://www.cdp.net/en/articles/media/comprehensive-corporate-reporting>

<sup>21</sup> Scope 1 GHG emissions include direct emissions from heating and cooling, leased aircraft and corporate fleet. Scope 2 GHG emissions include indirect emissions from electricity, heating and cooling. Scope 3 GHG emissions include indirect emissions (not included in scope 2) that occur in the value chain of a reporting company, which includes upstream, downstream and financed emissions.

<sup>22</sup> Refer to the 2020 Performance Data section on [page 85](#) for detailed information on 2020 EP projects.

<sup>23</sup> <https://www.fsb-tcfd.org/tcfd-supporters/>

<sup>24</sup> As permitted by the laws and regulations of the jurisdictions in which we operate.

<sup>25</sup> "Visible minority" is defined as non-Caucasian in race or non-white in colour, other than a person of Indigenous or Aboriginal heritage.

<sup>26</sup> "Indigenous or Aboriginal heritage" is defined as First Nations, Inuit, Metis, American Indian, Alaska Native, Native Hawaiian or other.

<sup>27</sup> "LGBTQ2+ member" is defined as a member of the lesbian, gay, bisexual, transgender, queer, two-spirit, plus community.

<sup>28</sup> "Person with a disability" is defined as a person having a long-term or recurring visible or invisible physical, mental, sensory, psychiatric or learning impairment, including impairment relating from or related to hearing, seeing, vocal, mobility, agility, pain, neurological, memory, development, psychological or addiction.

<sup>29</sup> BPI is a group representing banks doing business in the U.S.

<sup>30</sup> <https://www.npr.org/sections/coronavirus-live-updates/2020/04/30/848307092/greenhouse-gas-emissions-predicted-to-fall-nearly-8-largest-decrease-ever>

<sup>31</sup> ISF is the first-ever collaborative hub in Canada that brings academia, the private sector and government together with the objective of helping shape Canada's innovations in sustainable finance.

<sup>32</sup> For more information on the methodology used to calculate TD's contribution and impact assessment, see the [Low-Carbon Economy Progress Report](#).

<sup>33</sup> Our cleantech activities are described in further detail on page 23 of the [2019 ESG Report](#).

<sup>34</sup> TD follows the TCFD's suggested definition of "those assets tied to the energy and utility sectors under the Global Industry Classification Standard, excluding water utilities and independent power and renewable electricity producer industries."

<sup>35</sup> <http://www.abc.ca/on/resources/media-centre/media-releases/severe-weather-caused-1-3-billion-in-insured-damage-in-2019>

<sup>36</sup> <https://www.canada.ca/en/environment-climate-change/services/climate-change/expert-panel-sustainable-finance.html>

<sup>37</sup> Final Report of the Expert Panel on Sustainable Finance – Mobilizing Finance for Sustainable Growth, page IV: [http://publications.gc.ca/collections/collection\\_2019/eccc/En4-350-2-2019-eng.pdf](http://publications.gc.ca/collections/collection_2019/eccc/En4-350-2-2019-eng.pdf)

<sup>38</sup> Expert Panel on Sustainable Finance Report, page IV: [http://publications.gc.ca/collections/collection\\_2019/eccc/En4-350-2-2019-eng.pdf](http://publications.gc.ca/collections/collection_2019/eccc/En4-350-2-2019-eng.pdf)

<sup>39</sup> Enviroics Research, 2018. Canadian Environment Barometer.

<sup>40</sup> By the end of October 2020.

<sup>41</sup> A high rating indicates five globes and an above average rating indicates four globes.

<sup>42</sup> Sustainability provides company-level analysis used in the calculation of Morningstar's Historical Sustainability Score.

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<sup>44</sup> The Real Estate Strategy is comprised of multiple investment vehicles offered to clients, including the TD Greystone Real Estate Fund Inc., TD Greystone Real Estate LP Fund and segregated mandates.

<sup>45</sup> Core assets are stable, income-producing properties.

<sup>46</sup> The figure is the total of the \$500 million bond and the Canadian dollar value (at the trade date) of the US\$1 billion bond.

<sup>47</sup> Reflects the apportioned-value of lead managed green, social and sustainability bond underwriting by TD.

<sup>48</sup> Some of the data is also assured annually. For more information, see our [assurance statement](#).

<sup>49</sup> Prior to the onset of COVID-19, we had reduced our absolute water consumption by 4% in the past five years, and TD will continue its efforts in reducing water usage. In 2020, we have experienced a large reduction in water consumption as many employees are working from home, but we do foresee a short-term increase in usage as employees move back into offices and wash their hands more frequently to keep each other safe.

<sup>50</sup> Due to COVID-19, single-use plastics may still be necessary for a short period, to meet the health needs of TD employees and customers. Single-use plastics may be phased out earlier, but given the uncertainty caused by COVID-19, TD is targeting to removing them by 2025.

<sup>51</sup> <https://newsroom.td.com/featured-news/td-survey-covid19-financial-impact-young-diverse-canadians>

<sup>52</sup> <https://newscenter.td.com/us/en/news/2020/covid-19-leaves-most-millennials-strapped-for-cash-td-bank-survey-finds>

<sup>53</sup> <https://fortune.com/2020/09/24/personal-financial-literacy-health-schwab/>

<sup>54</sup> Financial health is defined as the extent to which individuals are able to comfortably meet their financial needs and commitments now and in the future.

<sup>55</sup> Source: [TD Financial Health Index Report 2019](#).

<sup>56</sup> <https://newsroom.td.com/featured-news/td-survey-covid19-financial-impact-young-diverse-canadians>

<sup>57</sup> Change Machine was previously called Financial Clinic.

<sup>58</sup> <https://www150.statcan.gc.ca/n1/pub/45-28-0001/2020001/article/00018-eng.htm>; <https://www.mckinsey.com/industries/public-and-social-sector/ourinsights/covid-19s-effect-on-jobs-at-small-businesses-in-the-united-states#>

<sup>59</sup> Many of these micro-entrepreneurs tend to be minorities and women with typically fewer than five employees and capital needs between US\$500 and US\$250,000.

<sup>60</sup> Certified B Corporations are businesses that meet the highest standards of verified social and environmental performance, public transparency and legal accountability to balance profit and purpose. B Corp Certification is administered by the non-profit B Lab.

<sup>61</sup> Tier 1 suppliers are TD's direct suppliers. Tier 2 suppliers are suppliers within TD's direct supplier's supply chain.

<sup>62</sup> Banks that provide leading customer service experiences outperform their peers according to *The US Banking Customer Experience Index, 2018 – How US Banks Earn Loyalty With The Quality Of Their Experience*.

<sup>63</sup> See page 45 of the [2019 ESG Report](#) for digital initiatives launched in the previous year.

<sup>64</sup> For more information on TD's implementation of the Seniors Code, refer to page 18 of the [2020 Public Accountability Statement](#).

<sup>65</sup> <https://www.mckinsey.com/business-functions/organization/our-insights/delivering-through-diversity>; <https://www.wsj.com/articles/the-business-case-for-more-diversity-11572091200>

<sup>66</sup> TD is working to help ensure that Indigenous Peoples have access to jobs and opportunities similar to that of non-Indigenous people in Canada as per the Truth and Reconciliation Commission of Canada's call to action to corporate Canada.

<sup>67</sup> The decrease in 2020 is a result of the temporary shift of focus from Enterprise Learning in response to COVID-19 to address the immediate need of enabling TD employees to work from home, supporting employees to build critical skills, and enhancing diversity and inclusion awareness among employees.

<sup>68</sup> Limited in-person classes were held due to the COVID-19 pandemic which resulted in less all day sessions in fiscal year 2020.

<sup>69</sup> The 75% increase was reported over the period of October 1, 2019–September 29, 2020.

<sup>70</sup> U.S. and Canadian workers will receive that amount in their local currencies, and employees outside of those countries will get a roughly equivalent award.

<sup>71</sup> Job protected until December 31, 2020.

<sup>72</sup> Through August 31, 2020.

# Acronyms

<b>ABAC</b>	Anti-Bribery/Anti-Corruption
<b>AI</b>	artificial intelligence
<b>AML</b>	anti-money laundering
<b>AMS</b>	Annual Meeting of Shareholders
<b>ANWR</b>	Arctic National Wildlife Refuge
<b>AR</b>	Annual Report
<b>ATF</b>	anti-terrorist financing
<b>AUM</b>	Assets under Management
<b>AVP</b>	Associate Vice President
<b>BPI</b>	Bank Policy Institute
<b>BPTN</b>	Black Professionals in Tech Network
<b>CFTC</b>	Commodity Futures Trading Commission
<b>CGC</b>	Corporate Governance Committee
<b>CLB</b>	Canada Learning Bond
<b>D&amp;I</b>	diversity and inclusion
<b>E&amp;S</b>	environmental and social
<b>ECRM</b>	Enterprise Conduct Risk Management
<b>EEI</b>	Employee Engagement Index
<b>EP</b>	Equator Principles
<b>ERF</b>	Enterprise Risk Framework
<b>ESG</b>	environmental, social and governance
<b>ETF</b>	exchange traded fund
<b>EY</b>	Ernst & Young
<b>FDX</b>	Financial Data Exchange
<b>FSB</b>	Financial Stability Board
<b>FSC</b>	Forest Stewardship Council
<b>FTE</b>	Full-time Equivalent
<b>G-SIB</b>	Global Systemically Important Bank
<b>GHG</b>	greenhouse gas
<b>GRESB</b>	Global Real Estate Sustainability Benchmark
<b>GRI</b>	Global Reporting Initiative
<b>GSS</b>	Green, Social and Sustainability
<b>H&amp;S</b>	health and safety
<b>HEV</b>	Hybrid and Electric Vehicles
<b>HRC</b>	Human Resources Committee
<b>IFC</b>	International Finance Corporation
<b>IFRS</b>	International Financial Reporting Standards
<b>IPCC</b>	Intergovernmental Panel on Climate Change
<b>ISF</b>	Institute for Sustainable Finance
<b>LBG</b>	London Benchmarking Group

<b>L.E.A.D.</b>	Leadership, Engagement, Achievement and Development
<b>LEI</b>	Legendary Experience Index
<b>LGBTQ2+</b>	lesbian, gay, bisexual, transgender, queer, two-spirit, plus
<b>LISC</b>	Local Initiatives Support Corporation
<b>LMI</b>	low- to moderate-income
<b>LTD</b>	long-term disability
<b>NACC</b>	North American Contact Centre
<b>NBPA</b>	New Business and Product Approval
<b>NFCC</b>	National Foundation for Credit Counseling
<b>NMTC</b>	New Markets Tax Credits
<b>OBSI</b>	Ombudsman for Banking Services and Investments
<b>OECD</b>	Organisation for Economic Co-operation and Development
<b>PCAF</b>	Partnership for Carbon Accounting Financials
<b>PII</b>	personally identifiable information
<b>PPP</b>	Paycheck Protection Program
<b>PWD</b>	people with disabilities
<b>REC</b>	Renewable Energy Credit
<b>RIA</b>	Responsible Investment Association
<b>SASB</b>	Sustainability Accountability Standards Board
<b>SBA</b>	Small Business Administration
<b>SDGs</b>	Sustainable Development Goals
<b>SET</b>	Senior Executive Team
<b>SFEC</b>	Sustainable Finance Executive Council
<b>SFI</b>	Sustainable Forestry Initiative
<b>TBP</b>	The Big Push
<b>TCFD</b>	Task Force on Climate-related Financial Disclosures
<b>TDAM</b>	TD Asset Management
<b>TDBLC</b>	TD Bank Learning Center
<b>TDCDC</b>	TD Community Development Corporation
<b>TDI</b>	TD Insurance
<b>UN</b>	United Nations
<b>UNEP</b>	United Nations Environment Programme
<b>UNEP FI</b>	UNEP Finance Initiative
<b>UNEP FI PSI</b>	UNEP FI Principles for Sustainable Insurance
<b>UNGP</b>	United Nations Guiding Principles on Business and Human Rights
<b>UN PRI</b>	United Nations Principles for Responsible Investment
<b>WEF</b>	World Economic Forum
<b>WFH</b>	work from home
<b>WIT</b>	Women in Technology

# Caution Regarding Forward-Looking Statements

From time to time, The Toronto-Dominion Bank (the “Bank”) 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 (“2020 MD&A”) in the Bank’s 2020 Annual Report under the headings “Economic Summary and Outlook” and “The Bank’s Response to COVID-19”, for the Canadian Retail, U.S. Retail, and Wholesale Banking segments under headings “Key Priorities for 2021”, and for the Corporate segment, “Focus for 2021”, and in other statements regarding the Bank’s objectives and priorities for 2021 and beyond and strategies to achieve them, the regulatory environment in which the Bank operates, and the Bank’s anticipated financial performance, and potential economic, financial and other impacts of the Coronavirus Disease 2019 (COVID-19). 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: strategic, credit, market (including equity, commodity, foreign exchange, interest rate, and credit spreads), operational (including technology, cyber security, and infrastructure), model, insurance, liquidity, capital adequacy, legal, regulatory, compliance and conduct, reputational, environmental and social, and other risks. Examples of such risk factors include the economic, financial, and other impacts of the COVID-19 pandemic; general business and economic conditions in the regions in which the Bank operates; geopolitical risk; the ability of the Bank to execute on long-term strategies and shorter-term key strategic priorities, including the successful completion of acquisitions and dispositions, business retention plans, and strategic plans; technology and cyber security risk (including cyber-attacks or data security breaches) on the Bank’s information technology, internet, network access or other voice or data communications systems or services; model risk; fraud 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, and other risks arising from the Bank’s use of third-

party service providers; 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; regulatory oversight and compliance risk; increased competition from incumbents new entrants, including Fintechs and big technology competitors); shifts in consumer attitudes and disruptive technology; environmental and social risk; exposure related to significant litigation and regulatory matters; ability of the Bank to attract, develop and retain key talent; 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; Interbank Offered Rate (IBOR) transition risk; critical accounting estimates and changes to accounting standards, policies, and methods used by the Bank; existing and potential international debt crises; environmental and social risk; 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 2020 MD&A, as may be updated in subsequently filed quarterly reports to shareholders and news releases (as applicable) related to any events or transactions discussed under the headings “Significant Events” in the relevant MD&A, which applicable releases may be found on [www.td.com](http://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 2020 MD&A under the headings “Economic Summary and Outlook” and “The Bank’s Response to COVID-19”, for the Canadian Retail, U. S. Retail, and Wholesale Banking segments, “Key Priorities for 2021”, and for the Corporate segment, “Focus for 2021”, 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.