



Reporting on the progress of our free, prior, and informed consent Policy and Training review

TD has a longstanding commitment to support the rights of Indigenous Peoples. We continue to support the Truth and Reconciliation Commission's (TRC) Call to Action #92 regarding business and reconciliation, and our [website](#) outlines the work we are doing to help advance the social and economic inclusion and equity of Indigenous Peoples. We are also supporters of free, prior, and informed consent (FPIC), which is reinforced in the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP). We believe in the importance of meaningful engagement with Indigenous Peoples and recognize that reconciliation can be achieved in different ways with different nations, groups, and communities that have diverse interests and aspirations. This engagement informs our commitment and approach to FPIC and to reconciliation more broadly. We recognize that the rights of Indigenous Peoples are constitutionally protected in Canada. We acknowledge the role of government and public policy and welcome the Government of Canada's indication that relations with Indigenous Peoples should be based on the recognition and implementation of the rights of Indigenous Peoples, as well as the Government's ongoing work to implement UNDRIP into Canadian law.

Our commitments are also informed by input from organizations representing Indigenous Peoples, clients, and stakeholders, including our shareholders. Through our engagement with these groups, and in furtherance of our ongoing support for TRC Call to Action #92 in 2023 we agreed to review our policies, procedures, and training programs relating to Indigenous Peoples and FPIC to assess where enhancements could be made.

In the ensuing period we embarked on a journey of reflection, listening and learning to evaluate how we operationalize FPIC at TD. We structured the review in two parts. First, to conduct a Policy review to assess how our policies and procedures align with our commitments to advance reconciliation. This was followed by a Training program review to ensure that appropriate training is provided to our management and employees involved in transactions with FPIC considerations.

Anchoring in our commitment to TRC Call to Action #92

The Truth and Reconciliation Commission Call to Action #92 issued a call to Corporate Canada to adopt UNDRIP as a reconciliation framework and to apply its principles, norms, and standards. FPIC is an important component of the Call to Action, but it is not the sole focus. Our approach remains anchored in our overarching commitment to the Call to Action including the need for respectful relationships, equitable access to jobs, training and educational opportunities and ongoing training for management and staff.

In 2013 we established an Indigenous Banking Group which is dedicated to meeting the financial, banking and investment needs of Indigenous Peoples, Indigenous businesses, organizations, and governments. We remain committed to the ongoing enhancement of our human resources practices to increase colleague representation from Indigenous communities and fostering a culture that values diversity, equity, and inclusion. Please refer to our [2023 TD and Indigenous Communities in Canada Report](#) ("the Report") for an indication of how we are striving to meet this commitment which includes:

- Providing a \$200,000 grant to the Legacy of Hope Foundation to support digital financial education training for survivors and intergenerational Survivors of the residential school system.
- Together with AFOA Canada, launching a TD Scholarship for Indigenous Peoples whereby 25 scholarships are made available annually, each worth up to \$60,000 over four years.
- As part of the Bank's community giving through the TD Ready Commitment, making a donation of \$100,000 to the National Centre for Truth and Reconciliation (in addition to the \$1 million donation in 2015).

Our commitments to Indigenous Peoples in this area are ongoing and since the publication of the Report additional contributions include:

- Providing a leadership gift of \$5 million over 5 years from TD to the Future Generations Foundation's Beyond Reconciliation Campaign in 2023. The Canada-wide campaign is focused on raising funds to bolster the work the Foundation has been doing to help bridge the gaps left by Indian residential schools in Canada.
- Opening a new branch on Tsuut'ina Nation in the Buffalo Run area Southwest of Calgary, Alberta, a branch fully staffed by colleagues from Indigenous communities, and TD's first branch on First Nation land in Alberta.
- Adding specialized expertise in Canadian Personal Banking and expanding TD Banking Group's Indigenous Bank team by creating three new executive-level (Associate Vice President (AVP)) roles:
 - An AVP with a specialization in Indigenous Peoples and Environmental, Social and Governance in Canadian Personal Banking.
 - Two new AVPs for Indigenous Banking in Eastern Canada and Western Canada respectively.

Engagement

Between December 2023 and April 2024, we met with representatives from a range of national organizations representing Indigenous Peoples and TD clients in sectors where FPIC considerations arise. The purpose of the engagement was to listen, learn and exchange information and ideas on best practices and challenges in implementing FPIC.

Examples of feedback received through this engagement includes:

- FPIC is important. Its application in each circumstance is context-specific and there is no "one-size fits all" approach.
- It is appropriate to anchor in our commitment to TRC Call to Action #92, which is also informed by UNDRIP and the work and commitments we have made in respect of our role as a financial institution for Indigenous Peoples to have equitable access to jobs, training, and education opportunities in the corporate sector, and with an aim that Indigenous communities gain long-term sustainable benefits from economic development projects.
- The implementation of FPIC is evolving over time.
- It is important that Indigenous communities have sufficient capacity to enable them to engage on a free, prior and informed basis.
- Depending on the context, Impact Benefit Agreements and increasingly equity arrangements and partnerships, are important.

- The introduction of the sector-agnostic Federal Government Loan Guarantee program is a significant development.
- FPIC is founded on trust and can't succeed as a point in time engagement. Early, ongoing, consistent engagement is necessary.
- Engagement can be challenging where there are no clear governance processes or forums. Identifying the appropriately affected communities that should be consulted, and understanding the applicable governance structures is a key consideration.
- It is beneficial to the consultation process when people from the Indigenous community are directly involved.
- We are at an important juncture in how FPIC is evolving, recognizing history and legacy while also looking forward.

These engagements were point-in-time outreach for the purposes of our FPIC review and we remain committed to meaningful engagement that enables us to have ongoing dialogue with representatives from Indigenous communities, clients, investors, and stakeholders.

The Policy Review

To support our Policy review process, we undertook a review of publicly available resources to identify models and proposals for implementing FPIC. Our objective was to review models being used or proposed to implement FPIC in various contexts, and to consider good practices as well as challenges in our Policy enhancement.

Our review reinforced that FPIC is a complex topic with a variety of interpretations. However, certain common principles of meaningful FPIC processes arise including:

- the process being free from coercion;
- consultation and engagement beginning early in the borrower's planning of activities that may impact Aboriginal or Treaty rights, and on a cooperative basis, so that the development and undertaking of the activities can be influenced by the process, and in any event in advance of any decision to proceed with the activities;
- consultation and engagement through representative institutions led by Indigenous Peoples;
- relevant information and technical reports being provided to understand impacts;
- participant funding to ensure meaningful capacity to participate in consultation on an informed basis with the relevant technical and legal expertise;
- cooperation in designing the process and discussing rights, interests, impacts, mitigation measures and compensation; and
- the opportunity for the Indigenous community to indicate whether consent is granted or withheld.

Applying the learnings

Prior to our FPIC review, FPIC considerations were incorporated in our due diligence process related to non-retail credit lending. This includes:

- Identifying transactions with significant impacts on the lands, resources and/or way of life of Indigenous Peoples;
- Incorporating assessments of our clients' policies, practices and performance relating to FPIC, when relevant, as part of TD's Enterprise Environmental and Social Risk Policy; and

- Applying enhanced due diligence where appropriate to address FPIC or significant impacts to the lands, resources and/or way of life of Indigenous Peoples.

We believe this represents a solid foundation in operationalizing FPIC. However, through the engagement and review processes we understood that more can be done.

Our engagement and review process underscored the importance of FPIC. Early and ongoing meaningful engagement with rights holders and impacted Indigenous Communities is important to satisfy FPIC requirements, and demonstrating meaningful engagement is pivotal.

From a financial institution perspective, we believe we operate optimally in an environment of predictability, stability, and clarity. While we would welcome further direction and certainty from the Government on the requirements of FPIC, pending this we have made enhancements to our internal policies and procedures around our FPIC review and due diligence procedures to clarify that where FPIC considerations arise, we will be making further enquiries of our clients to confirm that applicable Indigenous Communities have been engaged in a meaningful consultation process. As a lender, we have approached this opportunity from a perspective of understanding what more we can do to advocate for meaningful engagement highlighting the importance of FPIC considerations with our clients.

Our approach is also informed by our role as a major North American bank with diverse customers, stakeholders, and operations. Indigenous Communities, as well as other relevant parties, including industry, government and regulators all have an important part to play.

Accordingly, our policy updates include expanding the types of transactions to be reviewed for FPIC considerations, as well as by establishing guidelines for impacted business to clarify the circumstances in which FPIC considerations are most likely to arise, clarifying indicia of FPIC and indicators of meaningful consultation and engagement with affected communities and providing guidance to our management and colleagues to assist in this review. Additionally, we will continue to engage with clients where FPIC considerations are more likely to arise.

The Training Review

There are two components to our training review. In 2020 we launched a Cultural Awareness training course available to all colleagues and required learning for colleagues located in Canada on the history of Indigenous Peoples in Canada and a Path Forward. As part of a periodic refresh for this training, it will be reviewed to appropriately integrate FPIC awareness considerations.

Additionally, we will also be providing more extensive targeted training to impacted management and colleagues on the policy changes and Enhanced Due Diligence requirements that have been implemented as a result of this review.

Conclusion

When we undertook the review, our objective was to make meaningful, practical enhancements to the operationalization of FPIC within the context of a major North American bank with diverse customers, stakeholders, and operations across Canada and other jurisdictions. We see this as a considered and

deliberate first step, which we expect will evolve over time, as the landscape and regulatory environment continues to develop. We will provide periodic updates.

As a bank and a lender, we understand that we have an important role to play in supporting Truth and Reconciliation and FPIC has been recognised as an important principle for supporting Truth and Reconciliation. Through this initiative we have worked to develop a deeper understanding of FPIC and we will continue to engage with organizations representing Indigenous Communities, impacted clients and stakeholders to continue to enhance our understanding. Our aim is to improve our capability in this area and to use our voice to raise awareness. We acknowledge that we don't have all the answers, but we remain committed to listening and learning and evolving over time to keep pace with the dynamic environment.

We are grateful to the representatives from organizations representing Indigenous Peoples, shareholders, stakeholders, clients, and colleagues for sharing their time, insights, and expertise with us.