



# Building Tomorrow Together

2021 Environmental, Social  
and Governance Report

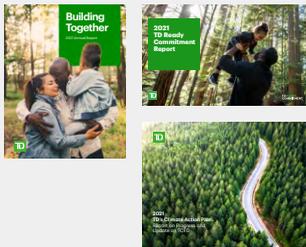




# Table of Contents

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**
- + TD's Climate Action Plan: Report on Progress and Update on TCFD**
- + Policies and References**



<b>2021 Awards and Recognition</b>	<b>83</b>
<b>2021 Performance Data</b>	<b>84</b>
<b>2021 SASB Index</b>	<b>106</b>
<b>Endnotes</b>	<b>113</b>
<b>Acronyms</b>	<b>115</b>
<b>Caution Regarding Forward-Looking Statements</b>	<b>116</b>



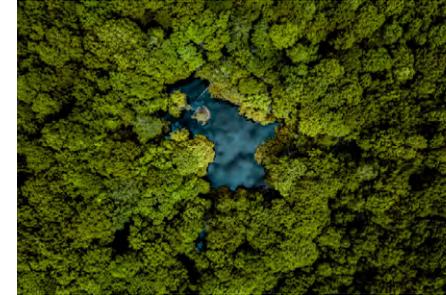
## Introduction

- Performance Highlights for Investors
- About This Report
  - 1.1 A Message From Our Leadership
  - 1.2 About TD
  - 1.3 Implementing Our ESG Strategy
  - 1.4 Global Developments Shaping Our Future
  - 1.5 ESG Trends
  - 1.6 How We Listen to Stakeholders
  - 1.7 Our ESG Material Topics
  - 1.8 ESG Scorecard and Goals



## Governance

- 2.1 Corporate Governance and Integrity
- 2.2 Risk Management
- 2.3 Data Security and Privacy
- 2.4 Human Rights
- 2.5 Tax



## Environmental

- 3.1 Our "E" Journey: A Message From Our Head of Environment
- 3.2 Climate Change
- 3.3 Sustainable Finance
- 3.4 Lending
- 3.5 Investing
- 3.6 Responsible Resource Use



## Social

- 4.1 Our "S" Journey: A Message From Our Head of U.S. Corporate Citizenship
- 4.2 Financial and Economic Inclusion
- 4.3 Economic Value
- 4.4 Social Inclusion
- 4.5 Volunteerism
- 4.6 Responsible Sourcing
- 4.7 Customer Experience
- 4.8 Product and Service Responsibility
- 4.9 Diversity and Inclusion
- 4.10 Talent Attraction, Development and Retention
- 4.11 Health and Well-being



**Table of Contents**

**Introduction**

Performance Highlights for Investors	2
About This Report	3
A Message From Our Leadership	4
About TD	6
Implementing Our ESG Strategy	9
Global Developments Shaping Our Future	13
ESG Trends	15
How We Listen to Stakeholders	16
Our ESG Material Topics	17
ESG Scorecard and Goals	18

**Governance** +

**Environmental** +

**Social** +

<b>2021 Awards and Recognition</b>	<b>83</b>
<b>2021 Performance Data</b>	<b>84</b>
<b>2021 SASB Index</b>	<b>106</b>
<b>Endnotes</b>	<b>113</b>
<b>Acronyms</b>	<b>115</b>
<b>Caution Regarding Forward-Looking Statements</b>	<b>116</b>



# Introduction



Table of Contents

**Introduction**

<b>Performance Highlights for Investors</b>	<b>2</b>
About This Report	3
A Message From Our Leadership	4
About TD	6
Implementing Our ESG Strategy	9
Global Developments Shaping Our Future	13
ESG Trends	15
How We Listen to Stakeholders	16
Our ESG Material Topics	17
ESG Scorecard and Goals	18

**Governance** +

**Environmental** +

**Social** +

<b>2021 Awards and Recognition</b>	<b>83</b>
<b>2021 Performance Data</b>	<b>84</b>
<b>2021 SASB Index</b>	<b>106</b>
<b>Endnotes</b>	<b>113</b>
<b>Acronyms</b>	<b>115</b>
<b>Caution Regarding Forward-Looking Statements</b>	<b>116</b>

# Performance Highlights for Investors

## Our Governance Journey

ESG oversight and governance are core to TD and our Board of Directors is committed to leadership in corporate governance. We are committed to integrating ESG considerations across the enterprise so that they become business-as-usual practices.

### Performance in 2021

- Formally established the **ESG Centre of Expertise** to bring together the experience, expertise and talent of colleagues working on ESG issues in order to coordinate and streamline efforts and provide thought leadership to support related decision-making.
- To ensure a coordinated and holistic approach to integrating ESG across the enterprise, we introduced regular **ESG education sessions with our Board of Directors and Senior Executive Team (SET) and incorporated ESG metrics into the SET compensation plan.**
- Developed a **climate risk inventory** to help identify the impacts climate change may have on TD, our assets and clients.
- Developed a **heatmapping framework** to support physical and transition climate risk identification and assessment (i.e., portfolios and industries most susceptible to climate change) as part of the development of our Environmental and Social (E&S) risk management approach.
- Established an **ESG Credit Risk** team responsible for identifying, assessing and mitigating the impact of ESG and climate change-related risks on TD's credit portfolio.

## ESG Ratings

- Listed on the **Dow Jones Sustainability World Index** for the eighth consecutive year and is the top ranked North American-based bank on the World Index.
- Included on the **Bloomberg Gender-Equality Index** for the sixth consecutive year.
- Recognized with a **"S&P Global Silver Class"** distinction. TD is the only North American bank ranked in the S&P Global Gold or Silver Class distinctions.

## Our Environmental Journey

Climate change is a critical environmental and business challenge and will require a significant collective effort of public and private sectors globally, over the long term, to help the global economy transition to a low-carbon future. As we move forward on our Climate Action Plan, we are committed to a just and orderly transition,<sup>1</sup> that is, supporting workers, businesses and communities impacted by the transition to a low-carbon economy so its benefits are shared widely.

### Performance in 2021

- Announced our **interim target for our operational emissions** to achieve an absolute reduction in greenhouse gas (GHG) emissions from our operations (Scope 1 and 2 GHG emissions) by 25% by 2025, relative to a 2019 baseline.
- Developed a customized methodology for setting Scope 3 financed emissions targets and **set Scope 3 targets for the Energy and Power Generation sectors to be met by 2030.**
- Set a target to hold **\$15 to \$20 billion in green, social, sustainability and pandemic bonds in our Treasury investment portfolio by the end of 2025.**
- Achieved over **\$86 billion** of our \$100 billion **low-carbon economy target** through low-carbon lending, financing, asset management and internal corporate programs in the last four years.
- In 2021, we deployed a record **\$30 billion to support the low-carbon economy.** If similar market conditions hold, we expect to achieve our **\$100 billion target by the end of 2022**, eight years ahead of our plan. We are excited to build on this momentum and start work on the next evolution of this goal.

## 2021 Affiliations and Partnerships

- Joined the United Nations-convened **Net-Zero Banking Alliance (NZBA).**
- Became a signatory to the **UN Women's Empowerment Principles** in December 2021.
- TD and Canada Post announced a strategic partnership** to expand access to financial services for Canadians, particularly those in rural, remote and Indigenous communities.
- Participated in the Government of Canada's **Sustainable Finance Action Council.**
- Announced strategic partnership with **RMI's Center for Climate-Aligned Finance** to support the development of solutions to help accelerate the transition to a low-carbon economy.

## Our Social Journey

Inclusion has always been central to TD's purpose, strategy and culture. Economic inequity is increasing and has been exacerbated by the COVID-19 pandemic. Black, Indigenous and visible minority/minority communities and women, particularly women within these communities, have been disproportionately affected. As we bring our purpose to life, we aim to contribute to inclusive economic outcomes from four perspectives: as an employer, a business operator, a financial institution and as a corporate citizen.

### Performance in 2021

- TD Bank announced a **US\$100 million equity fund in support of minority-owned small businesses in the U.S.**, with US\$25 million earmarked for Black- and Latinx-owned small businesses.
- Invested over **\$125 million** to support non-profit organizations across our footprint, including through the TD Ready Commitment.
- Made a broader and longer-term commitment to **increase women in roles titled vice president and above in Canada to 45% by end of 2025.**
- We are **on track to deliver on our 2020 commitments to double the representation of Black executives by the end of 2022 and increase Black, Indigenous Peoples and minority community representation at VP+ levels by 2025.**
- Established an **Asian Community Segment Strategy** with the goal of understanding and supporting the needs of the Asian community in Canada by focusing on client and colleague engagement, business development, and raising awareness.
- Our **First Nations Home Loan Program** provides financing to First Nations members to purchase, renovate or construct single-family homes on First Nations' lands and settled lands.



**Table of Contents**

**Introduction**

Performance Highlights for Investors	2
<b>About This Report</b>	<b>3</b>
A Message From Our Leadership	4
About TD	6
Implementing Our ESG Strategy	9
Global Developments Shaping Our Future	13
ESG Trends	15
How We Listen to Stakeholders	16
Our ESG Material Topics	17
ESG Scorecard and Goals	18

**Governance** +

**Environmental** +

**Social** +

<b>2021 Awards and Recognition</b>	<b>83</b>
<b>2021 Performance Data</b>	<b>84</b>
<b>2021 SASB Index</b>	<b>106</b>
<b>Endnotes</b>	<b>113</b>
<b>Acronyms</b>	<b>115</b>
<b>Caution Regarding Forward-Looking Statements</b>	<b>116</b>

# 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, 2021. 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 [pages 113–114](#) 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 115](#).

**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 reports in alignment with the GRI Standards (Core option) and the GRI Financial Services Sector Disclosure as well as the Sustainability Accounting Standards Board (SASB).

- + **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 assurance engagement for a selection of TD’s social and environmental performance indicators, and a reasonable assurance engagement for the TD Sustainability Bond (2020) Issuance – Use of Proceeds, available here:

- + **Assurance statement for the 2021 ESG Metrics, Greenhouse Gas Emissions and Carbon Neutral Schedule**
- + **Assurance statement for the TD Sustainability Bond (2020) Issuance – Use of Proceeds**

## 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)

**Institutional 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)





Table of Contents

**Introduction**

Performance Highlights for Investors	2
About This Report	3
<b>A Message From Our Leadership</b>	<b>4</b>
About TD	6
Implementing Our ESG Strategy	9
Global Developments Shaping Our Future	13
ESG Trends	15
How We Listen to Stakeholders	16
Our ESG Material Topics	17
ESG Scorecard and Goals	18

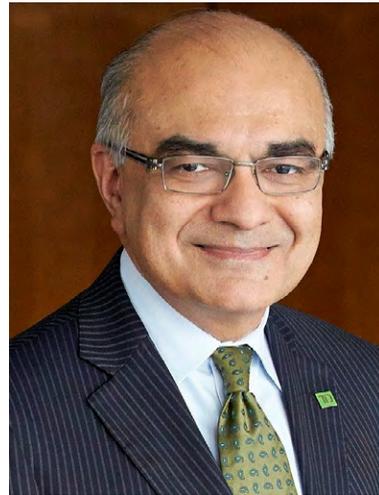
**Governance** +

**Environmental** +

**Social** +

<b>2021 Awards and Recognition</b>	<b>83</b>
<b>2021 Performance Data</b>	<b>84</b>
<b>2021 SASB Index</b>	<b>106</b>
<b>Endnotes</b>	<b>113</b>
<b>Acronyms</b>	<b>115</b>
<b>Caution Regarding Forward-Looking Statements</b>	<b>116</b>

# A Message From Our Leadership



In 2021, TD continued to drive important progress on critical social and environmental issues. Guided by our purpose, we strive to make a positive impact for those we serve, the economies that rely on us and the communities in which we live and work. This priority is central to TD and reflects our commitment to create value for all our stakeholders, including our customers, communities and colleagues.

COVID-19 continued to impact us all in 2021, and supporting our people and our customers through yet another year of disruption remained a key area of focus. We delivered health and wellness programs for our colleagues, offered advice and support for millions of customers, and contributed directly to community groups across our footprint to help households and businesses thrive. I could not be more proud of how TD bankers around the world have embraced our purpose and delivered throughout the pandemic.

As we look optimistically towards a post-pandemic future, inclusive and sustainable growth must be our path forward. The Environmental, Social and Governance (ESG) priorities and outcomes described in this report are critically important for our communities, our economies and our Bank. At this pivotal time, we are reminded that we only

thrive when the communities around us thrive, and TD is taking meaningful actions, making **strong** commitments and dedicating our resources and talent to the work ahead.

## Addressing the urgent challenge of climate change

Climate change is one of the most pressing issues of our time. As a global financial institution, we understand the important role we play in working across sectors to support the transition to a low-carbon economy and help meet the goals of the Paris Agreement.

In November 2020, TD released our **Climate Action Plan** and became the first major bank in Canada to announce a **target to achieve net-zero greenhouse gas (GHG) emissions by 2050** across our operations and financing. In this report, we are announcing an important step forward to align our financing portfolio with our net-zero target by **setting our first interim Scope 3 financed emissions targets for the Energy and Power Generation sectors**. These interim targets further enable us to measure and report transparently on our progress, and represent our ongoing commitment to support our clients as they transition their businesses for a net-zero world.

Across our businesses, TD has become a trusted partner and advisor, offering sustainable finance advisory services, ESG-oriented investment funds, deep expertise in ESG debt markets, and a growing suite of other products and services to meet our clients' needs. Since 2017, we have contributed more than **\$86 billion toward our \$100 billion target** for low-carbon lending, financing, asset management and internal corporate programs – and we intend to do much more. To further advance our work and participate in global, industry-wide collaboration, TD joined the United Nations-convened **Net-Zero Banking Alliance** in 2021.

As we continue to make progress against our Climate Action Plan and toward our net-zero target, we believe that how we get there matters. TD is committed to engaging with our clients and other stakeholders as we work together to build the low-carbon economy of tomorrow, overcome local

and global challenges, and help people, businesses and communities thrive in a changing world.

We are proud of what we've accomplished and the work we've described in this report. Yet, as always, we strive to do more, and we look forward to reporting on our progress.

## Building an inclusive future, where all can thrive

A diverse and inclusive society – where everyone can thrive – is the foundation upon which we must all build for the future. This belief has been central to TD's strategy and culture for decades, and it remains at the forefront of our work.

In 2021, we further expanded our efforts and invested in several initiatives to strengthen the support TD provides to its customers, communities and colleagues. This includes the establishment of a new **Black Customer Experience Team in Canada** and a commitment of \$10 million to the **Black Opportunity Fund**, among the largest contributions in Canada to a Black-led organization focused on serving the Black community. In the U.S., we announced a US\$100 million equity fund in support of minority-owned small businesses, with a focus on Black- and Latinx-owned small businesses.

At TD, we are **on track to deliver on our 2020 commitment to double the representation of Black executives by the end of 2022**. We are also more than halfway to delivering on our broader and longer-term commitment made in 2020 to **increase minority representation at executive levels across North America by October 31, 2025, to achieve 25% Black, Indigenous Peoples and minority community representation at vice president and above levels**. We continue to use our voice and platform to promote inclusion and celebrate diversity across the Bank and in our communities, and we are proud that our sustained efforts have been recognized with our sixth consecutive year on the Bloomberg Gender-Equality Index and our ranking as a top employer for diversity by Mediacorp and Forbes.



Table of Contents

**Introduction**

Performance Highlights for Investors	2
About This Report	3
<b>A Message From Our Leadership</b>	<b>4</b>
About TD	6
Implementing Our ESG Strategy	9
Global Developments Shaping Our Future	13
ESG Trends	15
How We Listen to Stakeholders	16
Our ESG Material Topics	17
ESG Scorecard and Goals	18

**Governance** +

**Environmental** +

**Social** +

<b>2021 Awards and Recognition</b>	<b>83</b>
<b>2021 Performance Data</b>	<b>84</b>
<b>2021 SASB Index</b>	<b>106</b>
<b>Endnotes</b>	<b>113</b>
<b>Acronyms</b>	<b>115</b>
<b>Caution Regarding Forward-Looking Statements</b>	<b>116</b>

# A Message From Our Leadership

TD also made investments in 2021 to meet the needs of even more customers and communities, including a **strategic alliance with Canada Post** that aims to increase access to financial services for Canadians in rural, remote and Indigenous communities, as well as the **First Nations Home Loan Program** that provides members of First Nations communities with loan financing for their residential property. In the U.S., we launched **TD Essential Banking**, a low-cost deposit account designed to meet the needs of unbanked or underbanked households.

Through our global corporate citizenship platform, the **TD Ready Commitment**, we are amplifying our collective actions in the communities we serve, including providing \$10 million in grants through the **2021 TD Ready Challenge** to organizations that are addressing pandemic-caused learning loss for students – a critical need as we look to a

post-pandemic future. In fact, in 2021 alone, TD invested over **\$125 million** to support non-profit organizations that are directly contributing to a better tomorrow.

### Embedding ESG priorities across the Bank

TD's ESG strategy is coordinated across the Bank and increasingly integrated into our business-as-usual practices, including through the establishment of our **ESG Centre of Expertise** that brings together the experience and talent of colleagues working on ESG initiatives across our businesses. We have also **linked senior executive compensation** with the Bank's ESG performance, further reinforcing the importance of ESG as a core component of TD's business strategy and future.

As we continue our journey and further expand our work in these areas, we are proud to once again be recognized for our ongoing leadership by being listed on the **Dow Jones Sustainability World Index** for the eighth consecutive year, with the top rank across North American-based banks.

As you'll read in this report, 2021 was a year of tremendous progress for TD. Looking forward, our ESG strategy represents the next phase of purpose-driven growth for our Bank, and I want to thank the 90,000 TD colleagues who are leading the way.

**Bharat Masrani**  
President and CEO



TD's Environmental, Social and Governance (ESG) strategy reflects our purpose and commitment to contributing to a more inclusive and sustainable future for everyone. Every day, teams across the Bank bring their energy and creativity to work to find solutions, support those we serve, and help people, businesses and communities thrive in a changing world.

This report outlines a year of effort and accomplishments by thousands of dedicated TD colleagues who transformed our aspirations into action—and drove meaningful outcomes. We accelerated our progress toward a low-carbon world, advanced our diversity efforts and metrics, engaged our people at scale, and introduced new products and initiatives to support the millions of households and businesses who rely on us. Together, we embedded ESG even more firmly into the strategy and operations of the Bank. We strengthened our reporting, introduced new targets, deployed greater resources, and achieved new milestones. The work is far from over. However, we are building on strong foundations and pushing ourselves forward.

We are taking the next step in our Climate Action Plan by announcing how we will measure the environmental impact of our financing activities—not just our own operations. By setting interim targets for our Scope 1 and 2 operational GHG emissions and our Scope 3 financed emissions targets for the Energy and Power Generation sectors we are demonstrating our commitment to making progress on the path to net-zero. We are also advancing

our diversity and inclusion strategy and delivering on our 2020 commitment to double the representation of Black executives by the end of 2022. And we are illustrating how we are holding ourselves accountable to our commitments through strong governance and expanded reporting.

All of these efforts are brought to life by our 90,000 talented and passionate colleagues. I join Bharat in thanking our people for their dedication and efforts and I know that their commitment is central to our continued progress.

I am excited by what's ahead as we build on the accomplishments from 2021 and chart the next phase of progress. Together, we will support our communities, help our customers, advise our clients and empower our people. As One TD, we will push ourselves every day to be the Better Bank.

**Norie Campbell**  
Group Head and General Counsel



**Table of Contents**

**Introduction**

Performance Highlights for Investors	2
About This Report	3
A Message From Our Leadership	4
<b>About TD</b>	<b>6</b>
Implementing Our ESG Strategy	9
Global Developments Shaping Our Future	13
ESG Trends	15
How We Listen to Stakeholders	16
Our ESG Material Topics	17
ESG Scorecard and Goals	18

**Governance** +

**Environmental** +

**Social** +

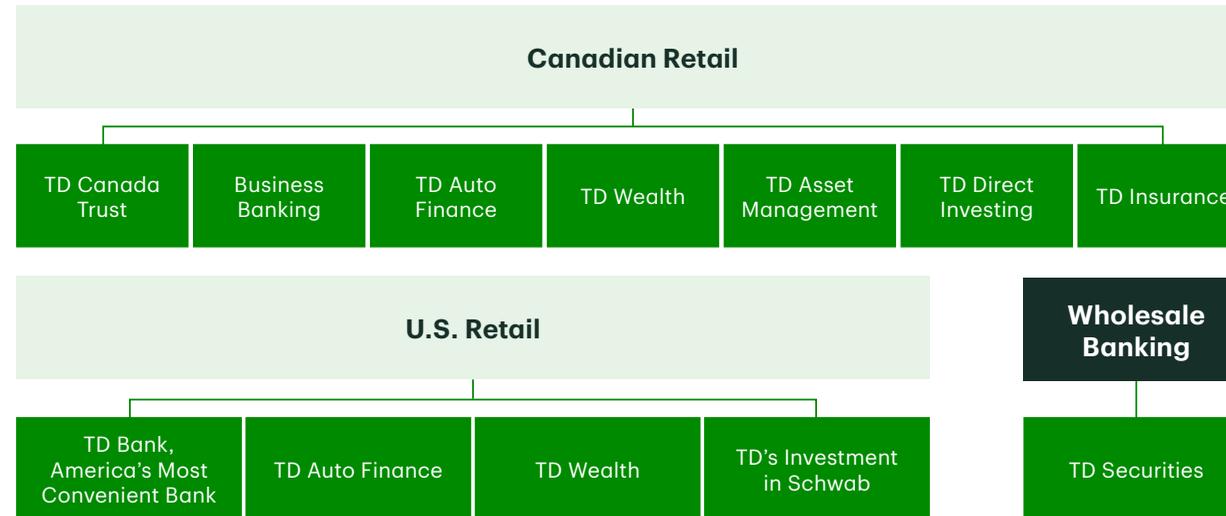
<b>2021 Awards and Recognition</b>	<b>83</b>
<b>2021 Performance Data</b>	<b>84</b>
<b>2021 SASB Index</b>	<b>106</b>
<b>Endnotes</b>	<b>113</b>
<b>Acronyms</b>	<b>115</b>
<b>Caution Regarding Forward-Looking Statements</b>	<b>116</b>

# About TD

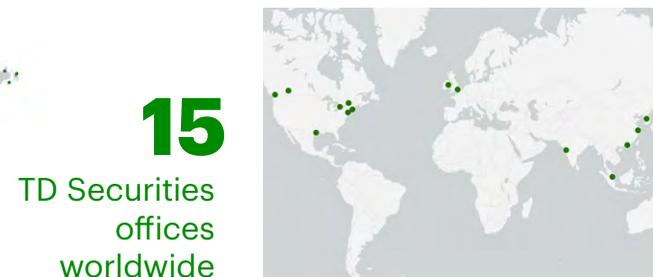
Every day, TD enriches the lives of millions of customers who rely on us for their financial needs and helps them achieve their goals.

## Our Business

### TD Bank Group



### Countries of Operation



**Brian Levitt**  
*Chair of the Board*

“Through the efforts of thousands of colleagues across the Bank, we are actively working to promote inclusive and sustainable growth – for the Bank and for the millions of households and businesses we serve. ESG priorities are embedded throughout the organization, with close oversight from the Board and its committees. In this report, we outline our progress and ongoing commitment to ESG issues as we continue to marshal our resources and know-how to deliver meaningful progress across TD, with our customers, in the communities in which we operate and for the economies we support.”



**Table of Contents**

**Introduction**

Performance Highlights for Investors	2
About This Report	3
A Message From Our Leadership	4
<b>About TD</b>	<b>6</b>
Implementing Our ESG Strategy	9
Global Developments Shaping Our Future	13
ESG Trends	15
How We Listen to Stakeholders	16
Our ESG Material Topics	17
ESG Scorecard and Goals	18

**Governance** +

**Environmental** +

**Social** +

<b>2021 Awards and Recognition</b>	<b>83</b>
<b>2021 Performance Data</b>	<b>84</b>
<b>2021 SASB Index</b>	<b>106</b>
<b>Endnotes</b>	<b>113</b>
<b>Acronyms</b>	<b>115</b>
<b>Caution Regarding Forward-Looking Statements</b>	<b>116</b>

**Our Business**

(as of October 31, 2021)

**26.8m**  
customers served around the globe

**~90,000**  
TD colleagues

**5th**  
largest bank in North America<sup>1</sup>

**15.3m**  
active digital customers served

**2021 Financial Performance<sup>2</sup>**

**\$14.3b**  
reported earnings

**\$1.7t**  
total assets

**\$5.6b**  
cash dividends to shareholders<sup>3</sup>

**12%**  
total shareholder return (5-year CAGR)<sup>4</sup>

**\$1.1t**  
total deposits

**Economic Contribution**

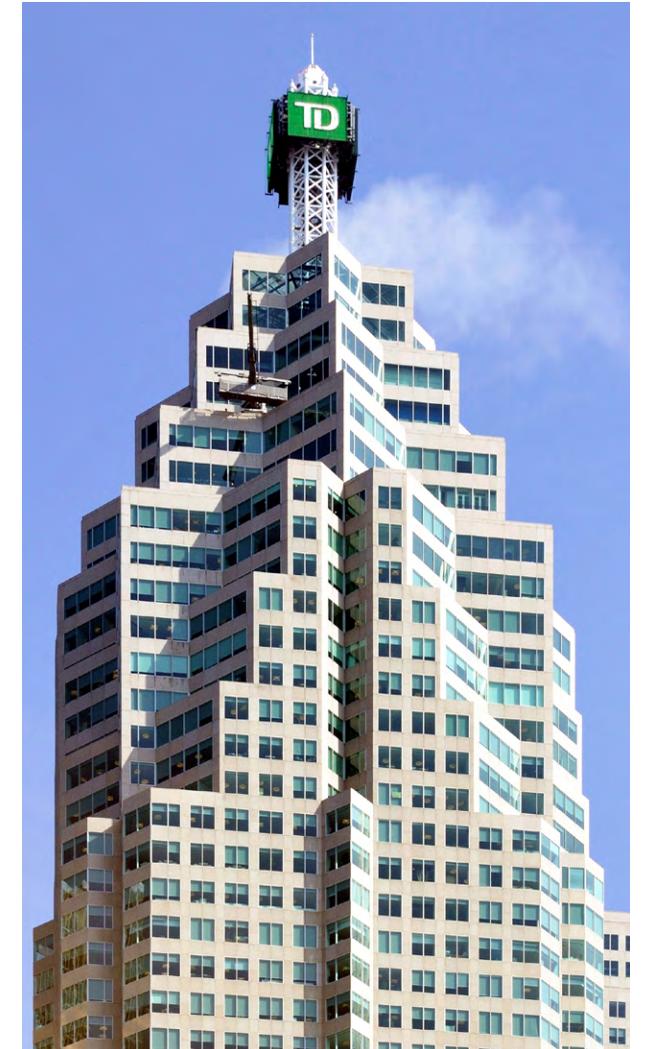
(during year ended October 31, 2021)

**\$125m+**  
community giving<sup>5</sup>

**\$12.4b**  
in salaries and benefits

**74,000+**  
volunteer hours by TD colleagues in our communities in 2021<sup>6</sup>

**\$4.6b**  
paid in corporate and property taxes<sup>7</sup>



<sup>1</sup> By total assets.

<sup>2</sup> Financial performance indicators are based on TD's full-year reported results for the year ended October 31, 2021. 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>3</sup> Dividend payment includes common, preferred, and distributions on other equity instruments.

<sup>4</sup> Five-year CAGR is the compound annual growth rate calculated from 2016 to 2021. Source: Bloomberg.

<sup>5</sup> Fiscal year 2021 total donations decreased as a result of decrease in Average NIBT. Contribution rate remains consistent with prior years and we continue to be on pace to achieve our target of \$1 billion in total by 2030.

<sup>6</sup> As logged on the TD Ready Commitment Network.

<sup>7</sup> Includes sales taxes, municipal and property taxes, insurance premium taxes, business taxes and capital taxes. Excludes \$635 million in payroll taxes, which are included in salaries and benefits for the purpose of this exhibit.



**Table of Contents**

**Introduction**

Performance Highlights for Investors	2
About This Report	3
A Message From Our Leadership	4
About TD	6
<b>Implementing Our ESG Strategy</b>	<b>9</b>
Global Developments Shaping Our Future	13
ESG Trends	15
How We Listen to Stakeholders	16
Our ESG Material Topics	17
ESG Scorecard and Goals	18

**Governance** +

**Environmental** +

**Social** +

**2021 Awards and Recognition** 83

**2021 Performance Data** 84

**2021 SASB Index** 106

**Endnotes** 113

**Acronyms** 115

**Caution Regarding Forward-Looking Statements** 116

# Q&A: Meet Janice Farrell Jones, SVP Sustainability and Corporate Citizenship



In 2021, TD further demonstrated its commitment to ESG by appointing Janice Farrell Jones, a proven TD business leader and strategist, to the senior leadership position of Senior Vice President responsible for Sustainability and Corporate Citizenship. The following is an interview with Janice about TD's ESG journey to date and the road ahead.

## Sustainability and ESG factors are increasing in importance for companies and their stakeholders. Why is ESG a priority for TD?

This is a very critical moment for TD, and for all of us collectively, as we face some daunting challenges – a warming planet, rising inequality and the impacts of the global COVID-19 pandemic, to name a few. Integrating ESG within our business is imperative as it helps us deliver on our purpose to enrich the lives of our customers, colleagues and communities we serve, but it also makes sense for our business. We are committed to implementing our global ESG strategy by further understanding the various needs of the customers and communities across our footprint and working so that our local products and services are tailored to help serve their needs. I'm energized by TD's commitment to ESG and the opportunity our leaders see to further embed ESG factors into the core of our business.

## What accomplishments stand out to you from 2021?

Our focus in 2021 has been on embedding ESG across the enterprise and aligning our ESG priorities to TD's purpose, vision and strategy. We continued on our journey of environmental leadership when we joined the Net-Zero Banking Alliance and advanced our Climate Action Plan when we announced our interim reduction target for Scope 1 and 2 GHG emissions using a science-based approach, as well as our Scope 3 financed emissions targets for the priority sectors of Energy and Power Generation.

In 2021, we continued our work to make banking accessible to customers through products such as TD Bank's new Essential Banking checking account for U.S. customers. We are also proud of our work to advance diversity and inclusion within our organization and communities. We are making progress on our commitments to double the representation of Black executives by the end of 2022 and increase Black, Indigenous Peoples and minority community representation at VP+ levels by the end of 2025. And TD announced it is contributing \$10 million over the next five years to the Black Opportunity Fund, among the largest contributions to a Black-owned, Black-led and Black-serving organization in Canada.

## What are potential opportunities and challenges TD faces on its ESG journey?

Recognizing the interconnected nature of the 'E' and 'S' in ESG, and that the climate landscape will continue to evolve and accelerate, we intend to adapt, refine and prioritize our actions to support TD's ambitions. We are focused on making a positive impact on social and economic outcomes for our customers, colleagues and communities we serve through our philanthropy, but also through our products and services. It is also critical to understand and respond to the potential socio-economic impacts of the transition away from carbon-intensive energy sources, particularly in resource-intensive economies such as Canada. Our Climate Action Plan reflects our focus on a just and orderly transition, meaning it supports workers, businesses and communities impacted by the transition to a low-carbon economy so its benefits are shared widely. As the climate landscape is physically evolving, so too is the regulatory landscape. For example, regulatory bodies are emphasizing the importance of standardizing climate-related financial disclosures, and where appropriate, TD has a key role to play in the discussions around development of regulatory expectations.

## Looking ahead, what is your vision for TD's ESG Strategy?

We want to continue taking a thoughtful and coordinated approach to embed ESG within our business. From the top down, we are focused on educating our leadership in key ESG areas to support alignment across the enterprise. And from the bottom up, we are expanding ESG expertise within our lines of business, coordinated through our ESG Centre of Expertise, to help guide the integration of ESG considerations into business-as-usual activities. By continuing to put ESG at the centre of our business, we are building the Better Bank.



**Table of Contents**

**Introduction**

Performance Highlights for Investors	2
About This Report	3
A Message From Our Leadership	4
About TD	6
<b>Implementing Our ESG Strategy</b>	<b>9</b>
Global Developments Shaping Our Future	13
ESG Trends	15
How We Listen to Stakeholders	16
Our ESG Material Topics	17
ESG Scorecard and Goals	18

**Governance** +

**Environmental** +

**Social** +

<b>2021 Awards and Recognition</b>	<b>83</b>
<b>2021 Performance Data</b>	<b>84</b>
<b>2021 SASB Index</b>	<b>106</b>
<b>Endnotes</b>	<b>113</b>
<b>Acronyms</b>	<b>115</b>
<b>Caution Regarding Forward-Looking Statements</b>	<b>116</b>

**Our Approach**

Our vision to be the Better Bank has inspired a history of strong environmental, social and governance performance at TD and we work collectively towards a more inclusive and sustainable tomorrow. We aim to 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**, launched in 2018, accelerates and amplifies our collective actions in the communities we serve. As we track the impact of the TD Ready Commitment, we also measure our contribution against the goals of the United Nations' (UN) Sustainable Development Goals (SDGs).

**+ For more information, refer to TD's contribution to the SDGs.**

We understand that we can thrive only when the businesses and communities we serve thrive. Economic, environmental and social challenges faced by our communities and stakeholders also have an impact on TD. Our aim is to help contribute to solutions and make a net positive impact on these issues through our business, philanthropy and people. In this way, we are living our purpose of enriching the lives of our customers, colleagues and communities as well as helping to secure the financial success – today, and in the long term – of our business.

**Our ESG Framework**

Building on our history, we announced our ESG Framework in 2020 and our work in 2021 has focused on integrating ESG throughout our business. Throughout the year, we have increased the number of colleagues working across the enterprise on ESG, embedded within TD's lines of business and coordinated through our ESG Centre of Expertise and Target Operating Model. Building ESG expertise within the organization is key to our goal of embedding ESG considerations into our business-as-usual processes.

**ESG Framework**

Working together towards an inclusive and sustainable future

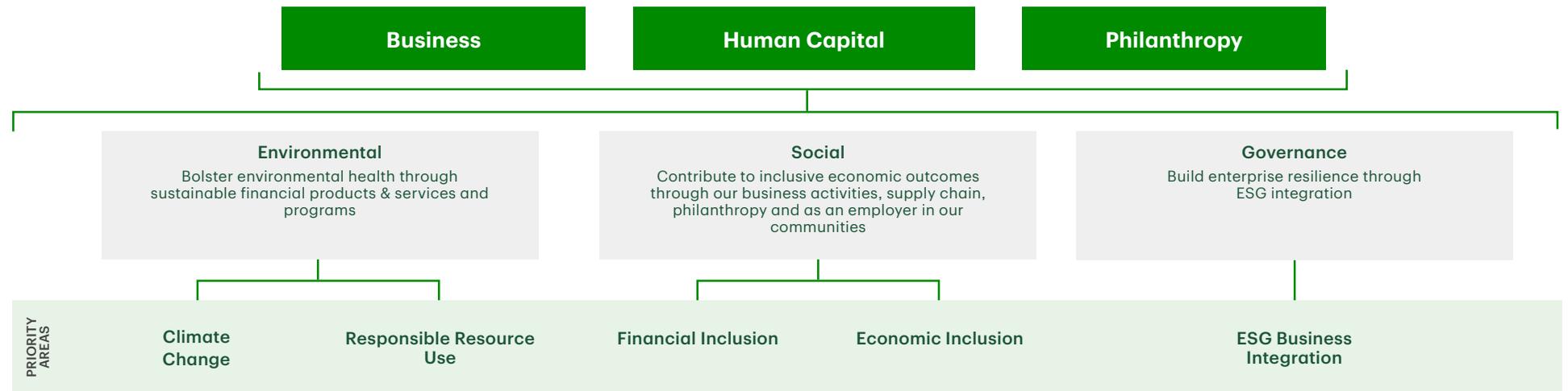




Table of Contents

**Introduction**

Performance Highlights for Investors	2
About This Report	3
A Message From Our Leadership	4
About TD	6
<b>Implementing Our ESG Strategy</b>	<b>9</b>
Global Developments Shaping Our Future	13
ESG Trends	15
How We Listen to Stakeholders	16
Our ESG Material Topics	17
ESG Scorecard and Goals	18

**Governance** +

**Environmental** +

**Social** +

**2021 Awards and Recognition** 83

**2021 Performance Data** 84

**2021 SASB Index** 106

**Endnotes** 113

**Acronyms** 115

**Caution Regarding Forward-Looking Statements** 116

**How Does the ESG Framework Drive Strategy?**

Strong ESG performance is contingent upon having a strong organization and, at TD, we have aligned our ESG priorities to TD’s purpose, vision and strategy. Our ESG strategy is embedded in our proven business model, guided by our purpose and inspired by our forward focus. We are strengthening our diversified business model to support resiliency; we are focused on preparing for the future; and we are leveraging our business platform to create the conditions for sustainable and inclusive economic outcomes by:

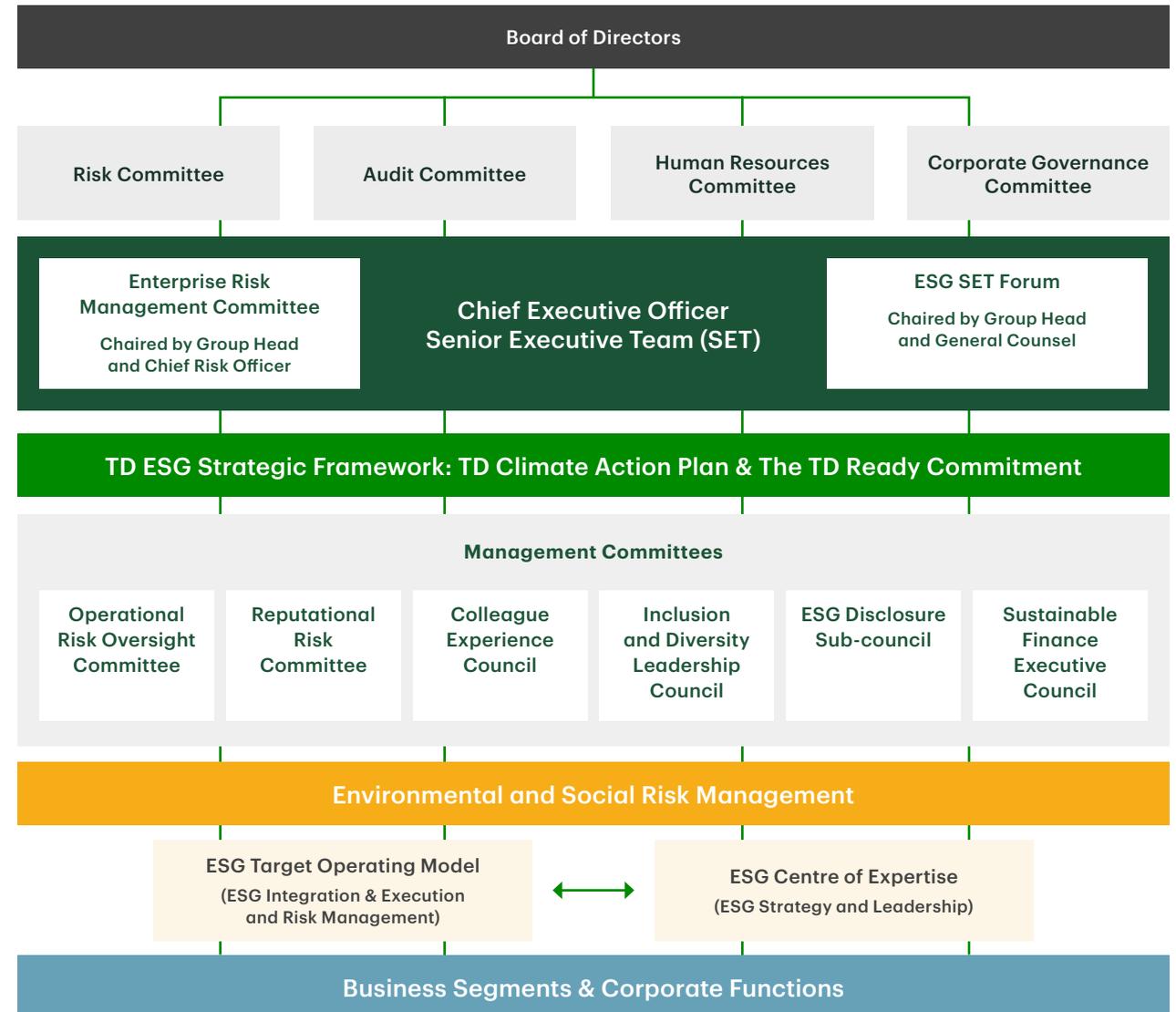
- Proactively identifying and mitigating ESG risks material<sup>2</sup> to our business
- Continuing to pursue ESG business opportunities and strengthening client and sector relationships
- Aligning ESG positions and priorities across the enterprise
- Demonstrating leadership and influence

In executing on our ESG strategy, we aim to further understand the various needs of the customers and communities across our footprint and work so that our products and services help serve their needs. Our goal is to help create the conditions for economic and social inclusion and environmental health that are fundamental to delivering on our vision and purpose. We also know that the E, S and G pillars are interconnected and influence one another. As such, we aim to be thoughtful in our approach and proactive in identifying situations that require more holistic approaches across the pillars.

**Our ESG Governance Model**

The graphic to the right depicts our ESG governance model, which enables the implementation and monitoring of our ESG strategy at all levels, from the Board of Directors to our business segments and corporate functions. Our ESG SET Forum oversees ESG and climate strategy development, with Norie Campbell, Group Head and General Counsel and Ajai Bambawale, Group Head and Chief Risk Officer, responsible for executive oversight of TD’s ESG Strategy. For additional details on the Board’s ESG engagement, please refer to the [Corporate Governance and Integrity](#) section of this report.

**ESG Governance Model**



**Table of Contents**

**Introduction**

Performance Highlights for Investors	2
About This Report	3
A Message From Our Leadership	4
About TD	6
<b>Implementing Our ESG Strategy</b>	<b>9</b>
Global Developments Shaping Our Future	13
ESG Trends	15
How We Listen to Stakeholders	16
Our ESG Material Topics	17
ESG Scorecard and Goals	18

**Governance +**

**Environmental +**

**Social +**

<b>2021 Awards and Recognition</b>	<b>83</b>
<b>2021 Performance Data</b>	<b>84</b>
<b>2021 SASB Index</b>	<b>106</b>
<b>Endnotes</b>	<b>113</b>
<b>Acronyms</b>	<b>115</b>
<b>Caution Regarding Forward-Looking Statements</b>	<b>116</b>

To help us deliver on and embed our ESG strategy throughout the organization, we have mobilized the **ESG Centre of Expertise** and the **ESG Target Operating Model**:

**TD's ESG Centre of Expertise (COE)** was established in 2021 to bring together the experience, expertise and talent of colleagues working on ESG issues across the enterprise in order to coordinate and streamline efforts and provide thought leadership to support decision-making. The COE uses its six-hub model to facilitate knowledge sharing, insights and coordination in key areas such as research, policies, risk management and reporting. Together, these hubs build on and help integrate the overall enterprise ESG strategy to meet increasing stakeholder expectations, oversee TD's ESG performance and disclosure processes, and lead external engagement on ESG matters.

The development of the **ESG Target Operating Model** will contribute to ESG considerations being incorporated into business-as-usual practices and processes across the enterprise. The operating model for ESG at TD is being developed using a risk-based, phased approach. We have initially focused on developing a Climate Target Operating Model (TOM) and associated Climate Action Plan Roadmap. The Roadmap describes the key milestones that we are focused on achieving over a three- to four-year period to build the required climate capabilities and supporting infrastructure. The Climate TOM represents an important step towards implementing the actions necessary to reduce the Bank's emissions, further embed enterprise climate-related risk management practices into our business activities and capitalize on climate-related opportunities associated with helping our clients successfully transition their businesses towards the low-carbon economy. For additional information about the Climate TOM, please refer to [TD's Climate Action Plan: Report on Progress and Update on TCFD](#). Additional phases will be initiated in conjunction with the approval of strategies for addressing other ESG-related focus areas.





**Table of Contents**

**Introduction**

Performance Highlights for Investors	2
About This Report	3
A Message From Our Leadership	4
About TD	6
<b>Implementing Our ESG Strategy</b>	<b>9</b>
Global Developments Shaping Our Future	13
ESG Trends	15
How We Listen to Stakeholders	16
Our ESG Material Topics	17
ESG Scorecard and Goals	18

**Governance** +

**Environmental** +

**Social** +

<b>2021 Awards and Recognition</b>	<b>83</b>
<b>2021 Performance Data</b>	<b>84</b>
<b>2021 SASB Index</b>	<b>106</b>
<b>Endnotes</b>	<b>113</b>
<b>Acronyms</b>	<b>115</b>
<b>Caution Regarding Forward-Looking Statements</b>	<b>116</b>

The specific focus areas and goals of our ESG Framework are as follows:

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>	<a href="#">+ Climate Change</a> <a href="#">+ Sustainable Finance</a>
<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>	<a href="#">+ Responsible Resource Use</a> <a href="#">+ TD’s Climate Action Plan: Report on Progress and Update on TCFD</a>
<b>Social</b>		
<b>Financial Inclusion</b>	<ul style="list-style-type: none"> <li>• Increase access to financial products and services</li> <li>• Provide relevant financial education and advice</li> <li>• Increase access to credit/capital</li> <li>• Address segment-specific needs</li> </ul>	<a href="#">+ Financial and Economic Inclusion</a> <a href="#">+ Social Inclusion</a>
<b>Economic Inclusion</b>	<ul style="list-style-type: none"> <li>• Provide investment capital and/or loans to initiatives that increase access to affordable housing, jobs and basic infrastructure and support a just and orderly transition</li> <li>• Build a more inclusive supply chain</li> <li>• Ensure equity in our employment practices, with a focus on diversity and inclusion</li> <li>• Leverage our philanthropy to help address root causes and effects of economic disparities</li> </ul>	<a href="#">+ Responsible Sourcing</a> <a href="#">+ Diversity and Inclusion</a>
<b>Governance</b>		
<b>ESG Integration</b>	Formalize and integrate an ESG operating model	<a href="#">+ Corporate Governance and Integrity</a>

While the table above reflects our priority areas as we continue to build-out and implement our ESG Framework, it represents just some of the areas in which we take action on ESG issues every day. For example, TD has a long-standing commitment to corporate governance, which is core to our Governance pillar. Further information about activities beyond these focus areas can be found throughout this report.



Table of Contents

**Introduction**

Performance Highlights for Investors	2
About This Report	3
A Message From Our Leadership	4
About TD	6
Implementing Our ESG Strategy	9
<b>Global Developments Shaping Our Future</b>	<b>13</b>
ESG Trends	15
How We Listen to Stakeholders	16
Our ESG Material Topics	17
ESG Scorecard and Goals	18

**Governance** +

**Environmental** +

**Social** +

<b>2021 Awards and Recognition</b>	<b>83</b>
<b>2021 Performance Data</b>	<b>84</b>
<b>2021 SASB Index</b>	<b>106</b>
<b>Endnotes</b>	<b>113</b>
<b>Acronyms</b>	<b>115</b>
<b>Caution Regarding Forward-Looking Statements</b>	<b>116</b>

# Global Developments Shaping Our Future

## COVID-19 Path of Recovery and Continued Support for Our Customers, Colleagues and Communities

The COVID-19 pandemic continues to disrupt lives and affect economies and communities around the world. With the global rollout of vaccines and adjustments to pandemic-related restrictions throughout 2021, economic and business performance in Canada and the United States began to improve; however, the recovery is uneven, and challenges remain.<sup>3</sup> In 2021, TD continued to be actively engaged in the recovery effort, guided by the principles of supporting the well-being of our customers, colleagues and the communities we serve and maintaining the Bank's operational and financial resilience. Key steps taken to provide essential support to customers, colleagues and the communities we serve are listed below.

- Since April 2020, TD has facilitated access to billions of dollars in government funds to thousands of businesses through government programs.

- Since July 2020, we have connected with over 88,000 Canadian customers through the **TD Ready Advice Centre** with the intent to help them proactively navigate their financial challenges during the pandemic.
- Increased focus on total well-being by offering a well-being day off to our colleagues and continued to prioritize health and safety by regularly assessing our protocols and **introducing new vaccination requirements**.
- Through the **2021 annual TD Ready Challenge**, TD committed an additional \$10 million in grants to organizations with scalable solutions to help K-12 students affected by pandemic-related learning loss in math and reading.<sup>4</sup>

- + **Economic Value**
- + **Customer Experience**
- + **Health and Well-being**



## Standing Against Anti-Indigenous, Anti-Asian and Anti-Black Racism

Throughout 2021, we continued to bear witness to acts of hate against Indigenous, Asian and Black communities that are sad reminders of racism's deep roots in society. At TD we condemn racism in any form. The following are some of the ways we are helping to combat racism through our practices, products and services:

- We marked the **first National Day for Truth and Reconciliation**, a day to reflect on the dark, ongoing legacy and intergenerational impacts of the residential school system and a time to honour those lost, survivors, their families and communities, with an enterprise virtual gathering, and asked colleagues to pause for a moment of silence. In Canada, the history of racism against Indigenous Peoples was thrust to the forefront in the spring of 2021 with the discovery of thousands of unmarked



**Table of Contents**

**Introduction**

Performance Highlights for Investors	2
About This Report	3
A Message From Our Leadership	4
About TD	6
Implementing Our ESG Strategy	9
<b>Global Developments Shaping Our Future</b>	<b>13</b>
ESG Trends	15
How We Listen to Stakeholders	16
Our ESG Material Topics	17
ESG Scorecard and Goals	18

**Governance** +

**Environmental** +

**Social** +

<b>2021 Awards and Recognition</b>	<b>83</b>
<b>2021 Performance Data</b>	<b>84</b>
<b>2021 SASB Index</b>	<b>106</b>
<b>Endnotes</b>	<b>113</b>
<b>Acronyms</b>	<b>115</b>
<b>Caution Regarding Forward-Looking Statements</b>	<b>116</b>

graves on the grounds of former residential schools.<sup>5</sup> TD actively supports the Truth and Reconciliation Commission's calls to action for corporate Canada by investing in education, arts and culture, employment, environment and economic development initiatives for Indigenous Peoples.

- Established an **Asian Community Segment Strategy**, with the goal of understanding and supporting the needs of the Asian community in Canada by focusing on client and colleague engagement, business development, and raising awareness.
- We empowered TD colleagues to learn more about the impacts of anti-Black racism by providing resources on being anti-racist, virtual group experiences offered by Black-led and Black-focused organizations and learning sessions held to better understand Black communities in Canada and the U.S. We also continued facilitating **Uncomfortable Conversations**, a series of virtual global events where TD leaders and colleagues from Canada and the U.S. discussed racial injustice issues.

- + **Financial and Economic Inclusion**
- + **Diversity and Inclusion**
- + **Talent Attraction, Development and Retention**



**An Active Participant in Advancing a Low-Carbon Future**

Climate change poses environmental, social and business challenges that require consistent effort over many years and the active involvement of governments, businesses, communities, non-governmental organizations and thought leaders. We hear and listen to our stakeholders' concerns and raise them to the appropriate levels for discussion and action when necessary. At TD, we are committed to being an active participant in advancing a low-carbon future.

We also know that the transition to a low-carbon economy will look different across sectors.<sup>6</sup> Particularly in resource-intensive economies, as in Canada, it is critical to understand the potential socio-economic impacts of the transition away from carbon-intensive energy sources. Supporting a just and orderly transition, that is, supporting workers, businesses and communities impacted by the transition to a low-carbon economy so its benefits of the transition are shared widely, is a significant economic and social opportunity to look for innovative solutions to redefine the energy sector. As a financial institution, TD has a role to help support the economy, including traditional energy sectors, through the transition to a low-carbon economy.

When TD finances conventional energy projects, such as pipelines, we aim to support human rights, environmental and social responsibility, economic opportunity and public safety. Through actions such as our Climate Action Plan and our target to reach \$100 billion in low-carbon investments by 2030 and achieve net-zero GHG emissions from our operations and financing activities by 2050, we are aligning our business, philanthropy and people to advance a better future. These actions, coupled with our investments through the TD Ready Commitment and our involvement in national and international committees and working groups, builds on a long history of environmental leadership and helps position the Bank as a central player in the work needed to help enable sustainable growth for our customers and clients, the communities we serve and the economies we support.

- + **Climate Change**
- + **Sustainable Finance**
- + **Responsible Resource Use**



**Table of Contents**

**Introduction**

Performance Highlights for Investors	2
About This Report	3
A Message From Our Leadership	4
About TD	6
Implementing Our ESG Strategy	9
Global Developments Shaping Our Future	13
<b>ESG Trends</b>	<b>15</b>
How We Listen to Stakeholders	16
Our ESG Material Topics	17
ESG Scorecard and Goals	18

**Governance** +

**Environmental** +

**Social** +

**2021 Awards and Recognition** 83

**2021 Performance Data** 84

**2021 SASB Index** 106

**Endnotes** 113

**Acronyms** 115

**Caution Regarding Forward-Looking Statements** 116

# ESG Trends

In 2021, we continued to witness the sharp rise of interest in ESG topics and related research and reports. Here is a summary of ESG trends and research that inform our thinking and approach.

### New international commitments and regulatory attention on ESG

More than 200 countries signed the Glasgow Climate Pact at the 26th Conference of Parties (COP26) conference. The Pact reaffirmed commitments made by signatories of the Paris Agreement<sup>7</sup> and commits signatories to revisiting their national determined contributions (NDCs) at the next climate summit in 2022, rather than in 2025 as was the commitment in the Paris Agreement.<sup>8</sup>



### Movement on the convergence of ESG reporting standards

To address the urgent and growing need for standardized and formalized corporate sustainability disclosures, the IFRS Foundation Trustees announced developments to provide global financial markets with high-quality ESG disclosures, including a new International Sustainability Standards Board (ISSB), to develop a comprehensive baseline of high-quality sustainability standards to meet investors' information needs.<sup>9</sup>

The ISSB announced that it will absorb both the Value Reporting Foundation (comprised of the former Sustainability Accounting Standards Board (SASB) and International Integrated Reporting Council (IIRC)) and the Climate Disclosure Standards Board (CDSB).<sup>10</sup>

### A growth in focus on ESG products and services

ESG matters are becoming increasingly important to a broader group of stakeholders in addition to investors and shareholders. As such, there has been an increase in demand for ESG-aligned products and services in many industries, inclusive of financial services. Growth in such products and services has brought heightened attention to the risk of 'green-washing',<sup>11</sup> and calls for product disclosure requirements.<sup>12,13,14</sup>

### Growing emphasis on the 'S' in ESG and topics beyond net zero

With the COVID-19 pandemic came widespread conversation about worker safety and income inequality. As the pandemic continues to affect communities, particularly vulnerable populations, ESG think-tanks believe that investors will likely become even more interested in companies that recognize the importance of, and need for, social responsibility towards communities.<sup>15</sup>



In addition, the early but important progress on climate action made in 2021 has prompted some questions on what other environmental topics demand the world's attention. Nature-related risk to ecosystems and habitats (including biodiversity) has been elevated as a key area for concern, resulting in global forums studying the issue and related economic risks.<sup>16,17</sup>

### Traditional resource industries shifting focus to net zero

Some of Canada's largest traditional energy companies, comprising 95% of Canada's oil sands production, joined forces in the move to net-zero emissions in the Oil Sands Pathways to Net Zero initiative. The goal of this initiative is to work alongside governments to achieve net-zero GHG emissions from the companies' oil sands operations by 2050 in an effort to help Canada meet its climate goals, including its Paris Agreement commitments.<sup>18</sup>



**Table of Contents**

**Introduction**

Performance Highlights for Investors	2
About This Report	3
A Message From Our Leadership	4
About TD	6
Implementing Our ESG Strategy	9
Global Developments Shaping Our Future	13
ESG Trends	15
<b>How We Listen to Stakeholders</b>	<b>16</b>
Our ESG Material Topics	17
ESG Scorecard and Goals	18

**Governance** +

**Environmental** +

**Social** +

<b>2021 Awards and Recognition</b>	<b>83</b>
<b>2021 Performance Data</b>	<b>84</b>
<b>2021 SASB Index</b>	<b>106</b>
<b>Endnotes</b>	<b>113</b>
<b>Acronyms</b>	<b>115</b>
<b>Caution Regarding Forward-Looking Statements</b>	<b>116</b>

# How We Listen to Stakeholders

There is increasing interest from stakeholders about our ESG work and, as such, we now have a team dedicated to managing the engagement process and responding to stakeholder concerns. When we receive feedback from our stakeholders, we consult across our business lines as appropriate, including senior management as needed. We also proactively engage internal and external stakeholders during our materiality<sup>19</sup> assessment, which is our process for identifying and prioritizing ESG issues. Twice a year, we present key trends and issues for our stakeholders to the Corporate Governance Committee of the Bank's Board of Directors.

Stakeholders	Ways We Interact	Key ESG Topics in 2021	
<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 complaint-handling process</li> <li>Consumer associations</li> <li>Conduct and Ethics Hotline</li> </ul>	<ul style="list-style-type: none"> <li>Customer service</li> <li>Fee changes</li> <li>Processing delays</li> </ul>	<ul style="list-style-type: none"> <li>Product features or policies</li> <li>Possible fraud</li> <li>Credit decisions</li> <li>Continued 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</li> <li>Employee Ombudsman (Between Us)</li> <li>Employee Complaint Resolution Process</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-Asian, anti-Black and anti-Indigenous racism</li> </ul>	<ul style="list-style-type: none"> <li>Colleague well-being, including mental well-being and work/life balance during COVID-19</li> <li>Preparations for safe return to the workplace</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>Continued 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> <li>Indigenous rights</li> <li>Fossil fuel financing</li> <li>Circular economy</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, such as support for pandemic-related government programs</li> <li>Working to expand our 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> <li>Conduct and Ethics Hotline</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</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 to better understand the digitization of banking</li> <li>Coordination among authorities for updated COVID-19 regulations</li> </ul>	<ul style="list-style-type: none"> <li>Engagement with industry associations in the development of proposed regulations to better plan for changes to the capital markets regimes</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-Asian and 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>Letters, meetings and phone calls</li> <li>Conferences and forums</li> </ul>	<ul style="list-style-type: none"> <li>Impacts of COVID-19 on customers and communities</li> <li>Financing of oil and gas development</li> <li>Queries regarding TD's involvement in, and impacts of, financing environmentally sensitive projects on communities and the surrounding environment</li> </ul>	<ul style="list-style-type: none"> <li>Human rights</li> <li>Access to banking</li> <li>ESG reporting standards and frameworks</li> </ul>





Table of Contents

**Introduction**

Performance Highlights for Investors	2
About This Report	3
A Message From Our Leadership	4
About TD	6
Implementing Our ESG Strategy	9
Global Developments Shaping Our Future	13
ESG Trends	15
How We Listen to Stakeholders	16
Our ESG Material Topics	17
<b>ESG Scorecard and Goals</b>	<b>18</b>

**Governance** +

**Environmental** +

**Social** +

**2021 Awards and Recognition** 83

**2021 Performance Data** 84

**2021 SASB Index** 106

**Endnotes** 113

**Acronyms** 115

**Caution Regarding Forward-Looking Statements** 116

# ESG Scorecard and Goals

Objective	Metric	2022 Target <sup>1</sup>	2021 Results	2020 Results
<b>Governance</b>				
<b>Be diverse and inclusive</b>	Women on Board	At least 30–40% of the Board's directors	40%	38%
	Percentage of directors that voluntarily self-identified as a visible minority, an Indigenous person, LGBTQ2+ or a person with a disability <sup>2</sup>		33%	31%
<b>Foster responsible conduct and compliance</b>	Percentage of eligible employees who completed the Code of Conduct and Ethics training <sup>3</sup>		100%	100%
	Number of significant monetary fines or significant non-monetary sanctions for non-compliance with laws and regulations <sup>4</sup>		0	2 <sup>5,6</sup>
<b>Environmental</b>				
<b>Support the transition to a low-carbon economy</b>	TD's contribution to low-carbon lending, financing, asset management and internal corporate programs by 2030	\$100 billion by 2030	Over \$86 billion (2017–21)	Over \$56 billion (2017–20)
<b>Manage climate-related risk</b>	Carbon-related assets relative to total assets <sup>7</sup>		15.0%	2.3%
<b>Embed the environment into our financing decisions</b>	Applicable non-retail lending transactions reviewed according to TD's E&S Risk Process for Non-Retail Lending Business Lines, which includes the Equator Principles	100%	100%	100%
<b>Develop the sustainable finance market</b>	Green, social, sustainable and sustainability-linked (GSSS) bond underwriting led by TD Securities (in billions) <sup>8</sup>		\$31.6	\$13.9
<b>Reduce our environmental footprint</b>	Be carbon neutral	Be carbon neutral	Yes	Yes
	Absolute reduction in GHG emissions from our operations (Scope 1 and 2 GHG emissions) by 25% by 2025, relative to a 2019 baseline <sup>9</sup>	25% reduction vs. 2019 baseline	25% reduction in Scope 1 and 2 GHG emissions relative to 2019 baseline	32% reduction in Scope 1 and 2 GHG emissions relative to 2015 baseline.

<sup>1</sup> Targets set for 2022 as applicable, unless otherwise stated.

<sup>2</sup> Percentage of Directors that, in December 2020 and January 2021, voluntarily self-identified as a visible minority, an Indigenous person, LGBTQ2+ or a person with a disability. "Visible minority" is defined as non-Caucasian in race or non-white in colour, other than an Indigenous person. "Indigenous" is defined as First Nations, Inuit, Métis, American Indian, Alaska Native, Native Hawaiian or other. "LGBTQ2+" is defined as a member of the lesbian, gay, bisexual, transgender, queer, two-spirit or 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>3</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>4</sup> For reporting purposes, 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 (as such term is used for securities laws purposes) and related to incidents that are of a regulatory nature.

<sup>5</sup> In 2020, TD Bank 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>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> TCFD updated its suggested definition of carbon-related assets in October 2021. Following the new guidance, our exposure to carbon-related assets equaled approximately 15.0% of our total gross credit risk exposure, as of October 31, 2021. Following the prior definition of carbon-related assets from the 2017 TCFD Annex, our carbon-related assets total 1.9% of our total gross credit risk exposure as of October 31, 2021. More information on carbon-related assets can be found in [TD's Climate Action Plan Report](#).

<sup>8</sup> Reflects the apportioned-value of lead-managed green, social, sustainability and sustainability-linked bonds underwritten by TD.

<sup>9</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. Our GHG reductions since 2019 are primarily attributable to COVID-19 (e.g., employees working from home), and are anticipated to increase to some extent as our colleagues return to the office. For additional information on our Scope 1 and 2 targets, please see the Climate Change section on [page 37](#).



**Table of Contents**

**Introduction**

Performance Highlights for Investors 2

About This Report 3

A Message From Our Leadership 4

About TD 6

Implementing Our ESG Strategy 9

Global Developments Shaping Our Future 13

ESG Trends 15

How We Listen to Stakeholders 16

Our ESG Material Topics 17

**ESG Scorecard and Goals 18**

**Governance +**

**Environmental +**

**Social +**

**2021 Awards and Recognition 83**

**2021 Performance Data 84**

**2021 SASB Index 106**

**Endnotes 113**

**Acronyms 115**

**Caution Regarding Forward-Looking Statements 116**

Objective	Metric	2022 Target <sup>1</sup>	2021 Results	2020 Results
<b>Social</b>				
<b>Financial and Economic Inclusion</b>				
<b>Increase financial literacy</b>	Number of participants in a TD-sponsored financial education program <sup>10</sup>	500,000	275,784	463,700
	Investment in community financial education programs (in millions)		\$6.70	\$6.30
<b>Create value in the economy</b>	Economic value distributed (in billions) <sup>11</sup>		\$28.7	\$24.3
<b>Social Inclusion</b>				
<b>Give financial support to create change</b>	Total donations (%)	At or above 1% of net income before taxes <sup>12</sup>	1.2% <sup>13</sup>	1.2%
	Total donations per year (in millions)	\$1 billion in total by 2030	Over \$125 <sup>14</sup>	Over \$130
	Total cumulative donations (in millions)		\$381 (2019–2021)	\$256 (2019–20)
<b>Encourage volunteerism in our communities</b>	Hours volunteered by TD colleagues	Increase year over year <sup>15</sup>	74,000+	80,000+
<b>Customer Experience</b>				
<b>Deliver legendary customer service</b>	Legendary Experience Index (LEI) – TD Composite Score	69.96	✅ 70.22 <sup>16</sup>	✅ 67.57
<b>Work to resolve customer complaints efficiently</b>	Percentage of complaints resolved by the SCCO <sup>17</sup> within 90 days (Canada)	90%	89% <sup>18</sup>	96%
	Percentage of escalated customer complaints resolved by the Chairman’s Service Center within designated service-level agreements (U.S.)	95%	98%	97%
<b>Digital innovation</b>	Active online and mobile customers (in millions)		15.3	14.5

<sup>10</sup> In 2021 and 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 2021 and 2020. TD-sponsored programs include programs both partially and fully sponsored by TD.

<sup>11</sup> Economic value distributed as defined by the [Global Reporting Initiative disclosure GRI 201-1](#). Refer to [page 62](#) of this report for more details.

<sup>12</sup> The 1% giving target follows the North American scope of TD’s corporate citizenship strategy. The target is calculated as 1% of the aggregate of: i) Income (loss) before income taxes across businesses within the Canadian geography, and ii) Income (loss) before income taxes and equity in net income of an investment in TD Ameritrade and or Schwab (as applicable) from the U.S. retail bank segment converted into Canadian dollars, calculated on a prior 5-year rolling average (“Average NIBT”).

<sup>13</sup> Calculated as a percentage of 2021 total donations, divided by Average NIBT for the years 2016–2020.

<sup>14</sup> Figures are disclosed in CAD Equivalent. Fiscal year 2021 total donations decreased as a result of decrease in Average NIBT (calculated as noted in footnote 12) and fluctuations in fx rates. Contribution rate remains consistent with prior years and we continue to be on pace to achieve our target of \$1 billion in total by 2030.

<sup>15</sup> Refer to [page 65](#) of this report for information on TD’s performance compared to its volunteering target.

<sup>16</sup> Refer to [page 68](#) of this report for information on TD’s performance compared to its LEI target.

<sup>17</sup> SCCO (Senior Customer Complaints Office, formerly the Office of the Ombudsman) data includes Personal Banking, Business Banking, Fraud, Insurance and Wealth business lines (Canada).

<sup>18</sup> Fiscal year 2021 figure decreased due to complaint volume growth and case complexity which can require additional time to complete fulsome investigations.



**Table of Contents**

**Introduction**

Performance Highlights for Investors	2
About This Report	3
A Message From Our Leadership	4
About TD	6
Implementing Our ESG Strategy	9
Global Developments Shaping Our Future	13
ESG Trends	15
How We Listen to Stakeholders	16
Our ESG Material Topics	17
<b>ESG Scorecard and Goals</b>	<b>18</b>

**Governance** +

**Environmental** +

**Social** +

**2021 Awards and Recognition** 83

**2021 Performance Data** 84

**2021 SASB Index** 106

**Endnotes** 113

**Acronyms** 115

**Caution Regarding Forward-Looking Statements** 116

Objective	Metric	2022 Target <sup>1</sup>	2021 Results	2020 Results
<b>Social</b>				
<b>Diversity and Inclusion</b>				
<b>Be diverse and inclusive and reflect the communities we serve</b>	Overall women colleagues (global)		✓ 56.5%	✓ 57.0%
	Women in senior management (global) <sup>19</sup>		✓ 33.8%	✓ 38.4%
	Women in roles titled Vice President and above (% in Canada)	45% by 2025	✓ 40.0%	✓ 40.0%
	Black, Indigenous and minority representation at executive levels (% in North America) <sup>20,21</sup>	25% by 2025	18.5%	— <sup>22</sup>
	Representation of Black executives at TD in North America <sup>21</sup>	Double by end of 2022	On track	— <sup>22</sup>
	People with disabilities (% in Canada) <sup>21</sup>		✓ 8.8%	✓ 8.0%
	Indigenous Peoples (% in Canada) <sup>21</sup>		✓ 1.2%	✓ 1.5%
	Women in STEM <sup>23</sup>		39.1%	— <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>24</sup>		54.2%	53.5%
	% positions filled within TD (Canada and the U.S.)		56.2%	53.8%
<b>Support colleagues on their career journeys</b>	Investment in training (in millions)		\$79.0 <sup>25</sup>	\$72.1 <sup>26</sup>
	Average number of days in training <sup>27</sup>		7.33	5.3 <sup>28</sup>
<b>Provide a great place to work</b>	Employee Engagement Index	85%	✓ 84%	✓ 85%
	Average global turnover		19.8%	14.5%
<b>Health and Well-being</b>				
<b>Foster workplace health and safety</b>	Absentee rate <sup>29</sup>		✓ 2.4% <sup>30,31,32</sup>	2.6%

<sup>19</sup> Senior Management includes Vice President level and above (in the U.S. this includes positions titled Vice Presidents and above only).  
<sup>20</sup> All executive appointments include roles Vice President and above.  
<sup>21</sup> Data is voluntarily disclosed by colleagues and therefore may not be reflective of the actual workforce.  
<sup>22</sup> The first year this data was disclosed was fiscal year 2021.  
<sup>23</sup> Science, Technology, Engineering and Mathematics (STEM)  
<sup>24</sup> Figure represents the percentage of promotions earned by women in Canada.  
<sup>25</sup> Increase in investment in training in 2021 is resulting from Enterprise Learning focus on key business transformation priorities including Next Evolution of Work, Contact Center as a Service, and Corporate Transformation and Operations evolution; colleague skill development in emerging capabilities; and leadership development. Investment in training may not capture all project or program costs incurred by the business.  
<sup>26</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>27</sup> An average day is considered 8 hours for U.S. colleagues and 7.5 for all other colleagues.  
<sup>28</sup> Limited in-person classes were held due to the COVID-19 pandemic which resulted in less all-day sessions in fiscal year 2021.  
<sup>29</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 the average full-time equivalent hours for each region. 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>30</sup> The North American absentee rate is inclusive of unplanned short-term absences related to COVID-19 (for example, self-isolation). The absentee rate excludes planned absences related to additional time-off provided to colleagues during 2021 (e.g., TD Total Well-being Day). The absentee rate also excludes permitted leave absences such as holidays, study, maternity or paternity leave, and compassionate leave.  
<sup>31</sup> For Canada, data was pulled directly from our online time reporting system. The data in this system (absent hours and absence reason) is entered by the colleague. For TD Insurance-General Insurance colleagues only, their People Managers' approval is also required on the online time reporting system.  
<sup>32</sup> For the U.S. (30.66% of the weighted average), an estimation was used that 24% of paid time off represents sick days and personal days taken. U.S. days lost due to workplace injury are estimated by an external vendor responsible for managing all workplace injury absences, based on the total number or claims through the fiscal year. The balance of the U.S. portion of the Absentee Rate was composed of unplanned absences related to COVID-19 and was calculated using colleague entries in the online time reporting system.



**Table of Contents**

**Introduction** +

**Governance**

Corporate Governance and Integrity	22
Risk Management	28
Data Security and Privacy	30
Human Rights	33
Tax	34

**Environmental** +

**Social** +

<b>2021 Awards and Recognition</b>	<b>83</b>
<b>2021 Performance Data</b>	<b>84</b>
<b>2021 SASB Index</b>	<b>106</b>
<b>Endnotes</b>	<b>113</b>
<b>Acronyms</b>	<b>115</b>
<b>Caution Regarding Forward-Looking Statements</b>	<b>116</b>

# Governance



Table of Contents

**Introduction** +

**Governance**

<b>Corporate Governance and Integrity</b>	<b>22</b>
Risk Management	28
Data Security and Privacy	30
Human Rights	33
Tax	34

**Environmental** +

**Social** +

<b>2021 Awards and Recognition</b>	<b>83</b>
<b>2021 Performance Data</b>	<b>84</b>
<b>2021 SASB Index</b>	<b>106</b>
<b>Endnotes</b>	<b>113</b>
<b>Acronyms</b>	<b>115</b>
<b>Caution Regarding Forward-Looking Statements</b>	<b>116</b>

# 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 85](#))
- [2022 Management 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](#)
- [2021 Public Policy and Political Contributions](#)
- [Respectful Workplace Policy](#)
- [TD's Approach to Total Rewards](#)



## 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 to focus 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 top and emerging risks affecting the Bank's businesses.

Similar to the previous year, TD hosted its 2021 Annual Meeting of Shareholders (AMS) exclusively through virtual methods as part of its continuous efforts to help contain the spread of COVID-19, with enhancements implemented to provide shareholders the option to ask questions online or by phone. Over 500 attendees logged into TD's virtual AMS webcast. By enabling shareholders to submit their questions online or by phone, 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 [2022 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.



Table of Contents

**Introduction** +

**Governance**

**Corporate Governance and Integrity** 22

Risk Management 28

Data Security and Privacy 30

Human Rights 33

Tax 34

**Environmental** +

**Social** +

**2021 Awards and Recognition** 83

**2021 Performance Data** 84

**2021 SASB Index** 106

**Endnotes** 113

**Acronyms** 115

**Caution Regarding Forward-Looking Statements** 116

**Performance in 2021**

**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.

**Enterprise Conduct Risk Management (ECRM)**

- Conduct risk is embedded into the Legal, Regulatory, Compliance and Conduct Risk Framework.
- 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.
- ECRM collaborates with partners to collect, analyze and review enterprise data to provide quarterly reporting to the Enterprise Risk Management Committee and the Board.
- 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.

**Code of Conduct and Ethics**

- This Code applies to all employees and Directors and establishes the standards that govern the way employees interact with each other, customers, shareholders, governments, regulators, competitors, the media and the public at large.
- It outlines TD's commitment to providing an accessible, safe and respectful work environment that is free from harassment, discrimination or violence.
- It clearly states that business conduct inconsistent with the Code will not be tolerated.
- The Code requires all employees and Directors to complete annual scenario-based training regarding the Code and attest to ongoing compliance to the Code.
- The Corporate Governance Committee (CGC) of the Board monitors, on an annual basis, what percent of eligible employees have attested to completing the training. For the fiscal year 2021, 100% of eligible employees attested to having completed the training.

**Respectful Workplace Policy**

- 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.
- It confirms that TD prohibits and will not tolerate, ignore or condone any form of violence, discrimination or harassment.
- The policy applies globally to all employees, Directors, and third-party workers.
- 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.
- Any employee, Director, third-party worker, customer, vendor or member of the public may report an incident of violence, discrimination or harassment to TD without threat or fear of reprisal.
- TD makes training available to managers regarding maintaining a workplace that is free of violence, discrimination or harassment.
- Appropriate support is available to employees and Directors who may have been affected by violence, discrimination or harassment.



**Table of Contents**

**Introduction** +

**Governance**

<b>Corporate Governance and Integrity</b>	<b>22</b>
Risk Management	28
Data Security and Privacy	30
Human Rights	33
Tax	34

**Environmental** +

**Social** +

<b>2021 Awards and Recognition</b>	<b>83</b>
<b>2021 Performance Data</b>	<b>84</b>
<b>2021 SASB Index</b>	<b>106</b>
<b>Endnotes</b>	<b>113</b>
<b>Acronyms</b>	<b>115</b>
<b>Caution Regarding Forward-Looking Statements</b>	<b>116</b>

**Conduct and Ethics Hotline**

- 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.
- It is hosted by a third party and independently managed within TD.

**Between Us: Employee Ombudsman Office**

- This office provides confidential, impartial and informal guidance on work-related concerns to all employees and reviews possible options for resolution.
- Over 850 employees accessed support through this program in 2021.

**Statement on Public Policy and Political Contributions**

- TD is committed to being transparent about our public policy interactions and political contributions.
- 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.
- In Canada, TD donated to both governing and official opposition parties in the Canadian provinces that allow corporate donations (currently, corporate donations are not permitted at the federal level); contributions in 2021 were consistent with the past two years.
- In the U.S., TD Bank has a federal political action committee (TD PAC) that allows eligible interested employees to make voluntary personal donations to TD PAC. TD PAC provides donations to Members of Congress who support a strong financial services sector and sound economic policies. In 2021, US\$49,500 was donated by TD PAC to 20 Members of Congress in both major political parties and two industry political action committees.
- TD has a policy not to make political contributions in international jurisdictions.

**Anti-Money Laundering (AML) and Anti-Terrorist Financing (ATF) Sanctions and Anti-Bribery/Anti-Corruption (ABAC)**

- This framework of policies and procedures is designed to:
  - 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
  - Comply with economic and trade sanctions laws and regulations
  - Provide principles of conduct to detect and deter bribery and corruption activities
- All newly hired employees are required to complete mandatory AML/ATF, sanctions and ABAC training.
- 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.



**Table of Contents**

**Introduction** +

**Governance**

<b>Corporate Governance and Integrity</b>	<b>22</b>
Risk Management	28
Data Security and Privacy	30
Human Rights	33
Tax	34

**Environmental** +

**Social** +

<b>2021 Awards and Recognition</b>	<b>83</b>
<b>2021 Performance Data</b>	<b>84</b>
<b>2021 SASB Index</b>	<b>106</b>
<b>Endnotes</b>	<b>113</b>
<b>Acronyms</b>	<b>115</b>
<b>Caution Regarding Forward-Looking Statements</b>	<b>116</b>

**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.

	Summary of Responsibilities	2021 ESG Engagement
<b>Board of Directors</b>	<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 ESG Strategy and objectives.</li> <li>Approves TD's Risk Appetite Statement and reviews the Bank's risk profile and performance, 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, Culture Framework, ECRM Policy and ABAC Policy.</li> </ul> <p><b>+ For further information, refer to TD's Board Charter</b></p>	<ul style="list-style-type: none"> <li>Received regular updates on TD's enterprise Risk Dashboard, including E&amp;S risk (a Top Risk).</li> <li>Enterprise ESG Strategy Update Fiscal 2022.</li> <li>Integrated Plan including ESG metrics.</li> <li>Received update on enterprise ESG Strategy and TD's Climate Action Plan.</li> <li>Approved TD's Slavery and Human Trafficking Statement.</li> <li>Received a Diversity and Inclusion Update with a focus on Indigenous Peoples.</li> <li>Received a presentation on TD Securities' ESG Strategy, including opportunities to support clients in their transition to net zero GHG emissions.</li> <li>Annual update on TD's Cybersecurity program.</li> <li>ESG education sessions on various topics.</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>
<b>Corporate Governance Committee</b>	<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 for E&amp;S matters, including:               <ul style="list-style-type: none"> <li>Keeps abreast of international 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 Slavery and Human Trafficking.</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 ESG matters.</li> <li>Oversees shareholder engagement practices.</li> </ul> <p><b>+ For further information, refer to TD's CGC Charter</b></p>	<ul style="list-style-type: none"> <li>Updates on ESG reporting, strategy and performance.</li> <li>Reviewed TD's ESG Report.</li> <li>Updates on governance developments.</li> <li>Approved Raising Conduct and Ethics Concerns Policy.</li> <li>Reviewed the responsibility of the Board's other committees for oversight and reporting on certain ESG matters.</li> <li>Endorsed TD's Statement on Slavery and Human Trafficking.</li> <li>Update on ESG standards and frameworks.</li> <li>Reviewed proposed schedule of ESG-related presentations to the Board and its Committees.</li> <li>Approved Anti-Bribery and Anti-Corruption Policy.</li> <li>Update on ESG Target Operating Model.</li> <li>Reviewed stakeholder voice dashboard.</li> <li>Update on Climate Action Plan metrics.</li> <li>Received an update on mitigating the potential for racial bias in Canadian lending activities.</li> <li>ESG Target Setting Primer.</li> <li>ESG Liability Risks Overview.</li> <li>Approved TD's Code of Conduct and Ethics and reviewed attestation process report.</li> <li>Reviewed annual report on shareholder feedback.</li> <li>Report on ESG-related shareholder resolutions.</li> <li>Received updates and quarterly reports on Enterprise Conduct Risk Management.</li> <li>In the course of 23 meetings with institutional shareholders in 2021, the Board/CGC Chair and Human Resources Committee (HRC) Chair discussed ESG matters raised by shareholders.</li> </ul>



**Table of Contents**

**Introduction** +

**Governance**

**Corporate Governance and Integrity** 22

Risk Management 28

Data Security and Privacy 30

Human Rights 33

Tax 34

**Environmental** +

**Social** +

**2021 Awards and Recognition** 83

**2021 Performance Data** 84

**2021 SASB Index** 106

**Endnotes** 113

**Acronyms** 115

**Caution Regarding Forward-Looking Statements** 116

**Summary of Responsibilities**

**2021 ESG Engagement**

<b>Risk Committee</b>	<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>Conducted regular reviews of TD's enterprise Risk Dashboard including E&amp;S risk (a top and emerging risk).</li> <li>Review of climate-related risks and impact on credit portfolios.</li> <li>Received updates on E&amp;S Risk.</li> </ul>
<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.</p>	<ul style="list-style-type: none"> <li>Monitored the impact of COVID-19 and the Bank's response to the pandemic on colleagues, including health and safety, mental health and well-being initiatives.</li> <li>Oversaw the implementation of enhancements to the link between ESG and compensation for members of the SET.</li> <li>Approved the Bank's Culture Framework and reviewed the TD culture dashboard and related monitoring activities.</li> <li>Monitored the progress on the Colleague Experience enterprise priority and people strategy key initiatives.</li> <li>Reviewed fair pay and significant colleague compensation outcomes and initiatives.</li> <li>Reviewed the diversity and inclusion strategy and outcomes.</li> <li>In the course of 23 meetings with institutional shareholders during 2021, 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 disclosures, 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>Received 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.</li> <li>Updates on ESG Disclosures and Reporting Standards.</li> </ul>

**+** For additional information on the activities of the Board, refer to the 2022 Proxy Circular.



**Table of Contents**

**Introduction** +

**Governance**

**Corporate Governance and Integrity** 22

Risk Management 28

Data Security and Privacy 30

Human Rights 33

Tax 34

**Environmental** +

**Social** +

**2021 Awards and Recognition** 83

**2021 Performance Data** 84

**2021 SASB Index** 106

**Endnotes** 113

**Acronyms** 115

**Caution Regarding Forward-Looking Statements** 116

**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 women and men each comprise at least 30% to 40% of the Board’s 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, 2021, women comprised 40% (6 of 15) of the Bank’s Directors. In addition, 33% (5 of 15) of the Bank’s Directors voluntarily self-identified as a visible minority,<sup>24</sup> an Indigenous person,<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 senior management levels. Each business within the Bank monitors its respective progress towards these diversity objectives on a quarterly basis. In 2021, we made a broader and longer-term commitment to increase **women in roles titled vice president and above in Canada to 45% by 2025**. To achieve these results, the Bank invests significant resources in diversity and talent initiatives to support the development and advancement of its employees. As at February 1, 2022, women comprise 23% (3 of 13) of positions at the executive officer level (i.e., the Bank’s SET). Additionally, we are **on track to deliver on our 2020 commitment to double the representation of Black executives by the end of 2022**. We are also more than halfway to delivering on our broader and longer-term commitment, also made in 2020, to **increase minority representation at executive levels across North America by October 31, 2025, to achieve 25% Black, Indigenous Peoples and minority community representation at VP+ levels**. As of October 31, 2021, representation was at 18.5%.

**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.

In 2021, the Bank formally incorporated a number of ESG factors into the key metrics used to help determine the variable compensation pool for the SET. These new ESG metrics supplemented the existing customer experience metrics, and are related to the Bank’s overall ESG strategy, including objectives related to climate change, diversity and inclusion, and employee engagement. Details on the specific ESG metrics, results and impact to the variable compensation pool can be found in our [Proxy Circular](#).

**Equitable Pay**

Diversity and inclusion are core values and strategic business priorities for TD. 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 extent. In keeping with these core values, **we are committed to providing equitable compensation opportunities for all employees**.

The foundations of our approach to equitable compensation are the comprehensive and well-established programs and structures that are designed so that **employees performing the same job have the same opportunity, supporting internal equity and fairness**, while recognizing differences in experience, performance and contribution.

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 Pay Ratio and Minority Pay Ratio**

The Bank regularly reviews its structures and practices to confirm that they are operating as intended and that outcomes are appropriate. Since 2018, the Bank has worked

with a third-party provider on an annual basis to complete a detailed statistical analysis of compensation to assess potential differences in outcomes based on gender and ethnicity. These reviews are used to actively monitor our compensation outcomes and make adjustments where appropriate, to further enhance consistency and fairness.

After adjusting for factors such as level, location and role, the 2021 review, which included over 85,000 employees globally, found that for both base salary and total compensation:

- **Women globally** 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 non-minorities.

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

The table below provides a summary of the results of the review by position group for Canadian based employees, comparing total compensation earned by women relative to men after adjusting for factors such as level, geography and role:

Position Group <sup>1</sup>	Total Compensation <sup>2</sup> (Adjusted) for Women Relative to Men
Executive <sup>3</sup>	98%
Management and Experienced Professionals <sup>4</sup>	98%
Supervisory and Professionals <sup>5</sup>	100%
Admin and Operations <sup>6</sup>	100%
Overall	99%

<sup>1</sup> This comparison includes full-time, part-time and casual employees in Canada; excluding temporary workers, senior executive team members and employees that have commission-based compensation arrangements.  
<sup>2</sup> Total Compensation includes base salary, short-term incentives, and long-term incentives (where applicable). It includes cash and equity (value at grant date) incentive.  
<sup>3</sup> Executive includes all executive levels; E01 and above, excluding Senior Executive Team members.  
<sup>4</sup> Management and Experienced Professionals includes level 9, level 10 and level 11.  
<sup>5</sup> Supervisory and Professionals includes level 7 and level 8.  
<sup>6</sup> Admin and Operations includes level 6 and below.



Table of Contents

**Introduction** +

**Governance**

Corporate Governance and Integrity	22
<b>Risk Management</b>	<b>28</b>
Data Security and Privacy	30
Human Rights	33
Tax	34

**Environmental** +

**Social** +

<b>2021 Awards and Recognition</b>	<b>83</b>
<b>2021 Performance Data</b>	<b>84</b>
<b>2021 SASB Index</b>	<b>106</b>
<b>Endnotes</b>	<b>113</b>
<b>Acronyms</b>	<b>115</b>
<b>Caution Regarding Forward-Looking Statements</b>	<b>116</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 understand (that is, identify, assess and measure) and mitigate the potential impact of a variety of risks in the financial services sector that may impact our business and stakeholders. These include traditional financial risks inherent to banking such as credit and interest rate risk, non-financial risks such as climate change and cybersecurity threats, and unpredictable events such as social unrest and global pandemics.

## Our Approach

### Defining Risk and Risk Appetite

Our process for defining risks involves understanding what risks may arise from TD's strategy and operations. TD has established major risk categories and related subcategories to enable a consistent enterprise-wide approach to risk management.

TD executives, directors and colleagues look to both TD's **Enterprise Risk Framework (ERF)** as well as **TD's 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 on the Bank's strategy and enhance shareholder value.

The ERF reinforces the Bank's risk culture that emphasizes transparency and accountability, and supports a common understanding among stakeholders of how the Bank manages risk.

### TD's Risk Appetite Statement

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

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

### Environmental and Social Risk

In 2021, we have further developed and refined our approach to managing environmental and social (E&S) risk. E&S risk is the risk of financial loss or reputational damage resulting from the Bank's inability to adapt to rapidly evolving environmental or social issues, including climate change, that impact or are associated with the Bank's operations, business activities, products, clients, or the communities in which the Bank operates. **Direct E&S 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. **Indirect E&S risks** are associated with E&S issues or events (including climate change) that may impact the Bank's customers, clients or the communities in which the Bank operates.

Management of E&S risks is a key area of focus for TD. E&S risks may have financial implications for both the Bank and its stakeholders (e.g., customers, suppliers and shareholders). Strategic, reputational, business, legal and regulatory risks could arise from the Bank's actual or perceived actions, or inaction, in relation to climate change and other E&S risk issues, progress against its environmental or social commitments, or our disclosures on these matters.

### Risk Governance

- E&S risks are managed under the Bank's **E&S Risk Framework**, which sets foundational guidance and defines key pillars of activities for managing E&S

risks. This Framework outlines the balance of central oversight and risk management with clear business-segment accountabilities in managing E&S risks, through related business-segment-level policies and procedures across the enterprise. Business segments ultimately are responsible for the risks within their respective portfolios and monitoring performance according to and in compliance with centrally controlled and/or business-specific E&S policies. Additionally, emerging E&S risks are managed through governance forums, including Reputational Risk Committees.

- TD continues to enhance its capabilities in the governance of E&S risks, building and strengthening its **E&S Risk Management function**. The E&S Risk Management function has oversight accountabilities, including establishing risk frameworks, policies, processes, and governance to identify, assess, control, monitor and report on E&S risks, including climate-related risks. The Bank's enterprise-wide E&S Risk Framework and risk management approach are aligned with TD's ERF and Enterprise Risk Appetite Statement, which include an E&S risk principle and measure. TD's various business-specific and enterprise Risk Committees are also involved in monitoring material<sup>29</sup> risks and acting as governance bodies for material<sup>29</sup> E&S risk issues escalated to them for decisioning. Please refer to **Implementing Our ESG Strategy** for further details on TD's ESG risk governance structure.

## Analyst Corner

[Annual Report:](#) Managing Risk (pages 80-111)

[Proxy Circular:](#) Update from the Risk Committee (page 116)

[TD's Climate Action Plan:](#)  
[Report on Progress and Update on TCFD](#) (pages 34-44)





**Table of Contents**

**Introduction +**

**Governance**

Corporate Governance and Integrity	22
<b>Risk Management</b>	<b>28</b>
Data Security and Privacy	30
Human Rights	33
Tax	34

**Environmental +**

**Social +**

<b>2021 Awards and Recognition</b>	<b>83</b>
<b>2021 Performance Data</b>	<b>84</b>
<b>2021 SASB Index</b>	<b>106</b>
<b>Endnotes</b>	<b>113</b>
<b>Acronyms</b>	<b>115</b>
<b>Caution Regarding Forward-Looking Statements</b>	<b>116</b>

- TD's E&S Risk Management function has made progress in developing an **E&S Risk Appetite Statement**, which involves a quarterly qualitative assessment of adherence to existing E&S risk framework and related policies (including regulatory requirements). TD continues to further enhance and update the E&S Risk Appetite to incorporate climate risk considerations in line with industry and regulatory expectations. The E&S Risk Appetite further supports the associated risk management and governance activities.
- E&S risk management concepts and training are embedded in various learning modules or portals available across the Bank. Additionally, curated sessions have been provided to various executive-level risk committees and to TD's Board of Directors to bring greater awareness of E&S risks.

**Risk Identification, Assessment and Measurement**

E&S risk, including climate change, remained a top and emerging risk for the Bank in 2021.

*Climate Risk*

**Climate risk remains one of the top environmental risks for the Bank**, and is the risk of financial loss or reputational damage from materialized credit, market, operational or other risks resulting from the physical<sup>30</sup> and transition risks<sup>31</sup> of climate change to the Bank, its customers, or the communities in which the Bank operates. (See Section [Climate Change](#).)

- The Climate Target Operating Model (TOM) includes key milestones to build the required climate risk capabilities. Additionally, to identify the impacts that climate change may have on TD, our assets and customers, we developed a climate risk inventory, including Level 1, 2 and 3 risk definitions. As well, TD has strengthened its climate risk heatmap methodology. (See [TD's Climate Action Plan Report](#) for heatmap.)
- TD is a supporter of the Financial Stability Board's TCFD recommendations<sup>32</sup> and reports on climate-related risks and opportunities as part of its annual TCFD update. The Bank is a member of the United Nations Environment Programme Finance Initiative (UNEP FI) and is participating in the UNEP FI TCFD pilot, as well as, other pilots regarding climate

scenario analysis in banking, lending, investments and insurance portfolios (see [TD's Climate Action Plan Report](#)). We see value in actively participating in pilots during this critical time when industry methodologies are being established and will help to guide how financial institutions will assess climate risk. TD is leveraging its learnings from participating in pilots as well as its membership in industry-wide working groups, as it helps develop standardized methodologies and approaches, including tools and capabilities for quantitative measurement for climate scenario analysis.

*Codes of Conduct and Human Rights*

- The Bank has several policies, including the Bank's Code of Conduct and Ethics and Supplier Code of Conduct, and a Statement on Human Rights, that reflect the Bank's commitment to manage its business responsibly and in compliance with applicable laws. (See the [Human Rights](#) and [Responsible Sourcing](#) sections of this report for further details).

*E&S Risk Integration Tools*

TD has developed various tools and enhanced existing programs that aid in embedding the assessment of E&S-related risks and opportunities into relevant Bank processes.

- The Bank uses a **set of tools and guidance documents** designed to help identify and categorize EP deals<sup>33</sup> appropriately. (See Section [Lending](#).)

Projects in **non-Organisation for Economic Co-operation and Development (OECD) countries** are assessed according to comprehensive International Finance Corporation (IFC) Performance Standards and sector-specific environmental, health and safety guidelines. In **OECD countries**, TD determines whether 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.

- TD's **E&S Risk Process for Non-Retail Lending Business Lines** governs the Bank's processes for assessing ESG risk and contains a set of due diligence tools that are applied to applicable non-retail lending activities. (See Section [Lending](#).)

- ESG risk considerations have been incorporated into **TD's Change Risk Management Framework** to assess the E&S risks and impacts associated with significant changes made to TD products, services, projects, and initiatives.
- The Bank's **enterprise-wide Business Continuity and Crisis Management Program** continues to support management's ability to operate the Bank's businesses and operations in the event of a business disruption incident.
- 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, taking into account industry, regulatory and legislative pronouncements.

**Risk Monitoring and Reporting**

The TD E&S Risk Management function:

- Proactively monitors industry, regulatory and legislative developments, and assesses the potential impacts of climate change and related risks on the Bank's operations, lending portfolios, investments and businesses.
- Escalates significant matters to senior-executive-level risk committees.
- Advocates for more harmonization among standard setters with respect to disclosure requirements for E&S risks via membership in stakeholder forums.
- Continues to enhance the internal E&S risk dashboard, which provides a comprehensive assessment of the Bank's E&S risk appetite and risk profile across the enterprise and is shared with senior-executive-level risk committees.
- Continues to leverage its membership in industry-wide working groups to develop its understanding of best practices for E&S risk management and reporting.



Table of Contents

**Introduction** +

**Governance**

Corporate Governance and Integrity	22
Risk Management	28
<b>Data Security and Privacy</b>	<b>30</b>
Human Rights	33
Tax	34

**Environmental** +

**Social** +

<b>2021 Awards and Recognition</b>	<b>83</b>
<b>2021 Performance Data</b>	<b>84</b>
<b>2021 SASB Index</b>	<b>106</b>
<b>Endnotes</b>	<b>113</b>
<b>Acronyms</b>	<b>115</b>
<b>Caution Regarding Forward-Looking Statements</b>	<b>116</b>

# Data Security and Privacy



## Our Approach

Our customers trust us to safeguard their personal information and this remains a top priority for TD. We actively monitor and manage security and privacy risks, thereby enhancing 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 our privacy commitments outline some of 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 help identify unusual customer account activity.

Rather than reacting only to emerging cyber threats and risks, we remain focused on predicting and proactively addressing them. When we quickly transitioned thousands of colleagues to home-based work in 2020 and saw millions of customers broaden their digital

engagement with the Bank, we prioritized security while working to maintain and build stronger stability as we understand our cybersecurity risks better and work to manage them.

TD maintained Bank-wide policies, procedures, standards and guidelines to help protect the personal information of our customers and colleagues. Our privacy commitments, including [TD Canada Privacy Code](#), [TD U.S. Privacy Notice](#), and the [Europe and Asia-Pacific Privacy Notice](#), inform our customers of the ways in which we help protect privacy and the confidentiality of information, explain how we collect, use and disclose customer information and outline individual rights and choices. 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 online privacy code advises users about how information, collected when using TD websites, is handled).

## Why it matters to TD

Maintaining the trust of our customers, while protecting their privacy and the Bank's systems and keeping information secure, is a fundamental priority for TD. In a digital era complicated by a global pandemic and the remote work environment, data security and privacy threats are evolving at a rapid pace. We believe everyone at TD has an obligation to help keep data secure and private. We regularly offer training to our colleagues to help them stay vigilant and aware of cybersecurity and privacy best practices. TD has not experienced any material<sup>34</sup> financial losses relating to technology failure, cyber attacks or security or privacy breaches.





**Table of Contents**

**Introduction** +

**Governance**

Corporate Governance and Integrity	22
Risk Management	28
<b>Data Security and Privacy</b>	<b>30</b>
Human Rights	33
Tax	34

**Environmental** +

**Social** +

<b>2021 Awards and Recognition</b>	<b>83</b>
<b>2021 Performance Data</b>	<b>84</b>
<b>2021 SASB Index</b>	<b>106</b>
<b>Endnotes</b>	<b>113</b>
<b>Acronyms</b>	<b>115</b>
<b>Caution Regarding Forward-Looking Statements</b>	<b>116</b>

**Performance in 2021**

**Bolstering Data Security**

- **TD Fusion Centre:** TD's Fusion teams continued to consider new ways to protect the Bank from cyber risk and other threats as COVID-19 continued to have an impact on how organizations handled cyber response during a pandemic. The Toronto and Singapore Fusion Centres and operational sites in Tel Aviv and New Jersey leveraged virtual capabilities as well as communication and hand-off efforts while implementing a 24/7 "follow the sun" model. This, coupled with a team of professionals with a wide range of skills, helps improve threat detection and efficiency in the protection of data and technology assets.
- **Increased Cyber Fluency and Measurement:** Managing cybersecurity risks and improving awareness of cyber threats across the organization are the responsibility of each of TD's business units. Our cyber leadership monitors the cyber threat landscape, our technology and cyber risk profile and emerging risks and roadmaps to keep our cybersecurity profile current. In addition, our business partners are proactively driving cyber risk management within their businesses.
- **Cybersecurity Connections and Attracting Diverse Talent:** The need for cybersecurity professionals has never been greater<sup>36</sup> and one way to address this need is by engaging professionals from groups that are underrepresented in technology and cybersecurity, namely women and people from diverse communities. In our effort to develop diverse cyber talent and strengthen our talent pipeline, TD, in collaboration with ACCES Employment and IBM, supports the Cybersecurity Connections program that helps internationally trained IT professionals secure employment in cybersecurity. We are also strengthening our talent pipeline by leveraging relationships with external organizations such as Toronto Finance International,<sup>37</sup> and Executive Women's Forum<sup>38</sup> to proactively target diverse talent. All of this enables us to continue to deliver an attractive, future-focused security strategy.

**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 committees such as the Enterprise Risk Management Committee Cybersecurity Subcommittee.</li> <li>• TD has a cybersecurity strategy that is regularly reviewed and updated. The Board has several directors with experience in technology management.</li> <li>• Our cybersecurity policy is internally available to all TD colleagues.</li> </ul>
<b>Training and Culture</b>	<ul style="list-style-type: none"> <li>• All TD colleagues play a role in protecting the Bank from cyber threats.</li> <li>• All eligible colleagues are required to complete mandatory cyber, privacy and information security training courses, which are refreshed annually.</li> <li>• Key colleagues in high-risk job functions and executives, as well as the Board, are also offered enhanced cyber, information and security training.</li> </ul>
<b>Threat Monitoring</b>	<ul style="list-style-type: none"> <li>• TD has cyber threat intelligence and cyber operations 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 to the left.</li> </ul>
<b>Industry Frameworks</b>	<ul style="list-style-type: none"> <li>• We continue to 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 Cyber Risk Institute's (CRI) Cybersecurity Profile.<sup>35</sup> By having representation on the Board of Directors of this initiative, TD will also have the opportunity to support the development of the framework.</li> <li>• To help ensure TD has current information related to cyber threats, information security teams within our Enterprise Protect group engage with government partners in Canada and the United States, as well as external intelligence communities. These engagements assist TD to share information with internal TD stakeholders to proactively help prevent and detect cyber threats. The information sharing community, including the Financial Services Information Sharing and Analysis Center (Canada and U.S.) (FS-ISAC), the Financial Services Sector Coordinating Council (FSSCC), and the Canadian Cyber Threat Exchange (CCTX), leverages intelligence platforms and a trusted peer-to-peer network of experts to help anticipate, mitigate and respond to cyber threats.</li> </ul>
<b>Insurance</b>	<ul style="list-style-type: none"> <li>• TD has a dedicated cyber insurance policy to help mitigate the financial risk of cyber-related events within our suite of insurance coverages, although we recognize that it may not be sufficient to cover all financial losses.</li> </ul>



**Table of Contents**

**Introduction +**

**Governance**

Corporate Governance and Integrity	22
Risk Management	28
<b>Data Security and Privacy</b>	<b>30</b>
Human Rights	33
Tax	34

**Environmental +**

**Social +**

<b>2021 Awards and Recognition</b>	<b>83</b>
<b>2021 Performance Data</b>	<b>84</b>
<b>2021 SASB Index</b>	<b>106</b>
<b>Endnotes</b>	<b>113</b>
<b>Acronyms</b>	<b>115</b>
<b>Caution Regarding Forward-Looking Statements</b>	<b>116</b>

**Enhancing Privacy**

<b>Governance and Policy</b>	<ul style="list-style-type: none"> <li>The Global Chief Privacy Officer, in collaboration with other areas within the Bank, oversees TD’s Privacy program and reports ultimately 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, challenge<sup>39</sup> 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 website.</li> </ul>
<b>Training and Culture</b>	<ul style="list-style-type: none"> <li>All colleagues play a critical role in supporting TD’s compliance with privacy laws and regulations. TD’s privacy training is designed to provide colleagues and contractors with the skills and knowledge they can use to protect customer and colleague privacy appropriately and to understand their privacy obligations. Privacy training also increases the awareness colleagues 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, U.S., Europe and Asia-Pacific privacy laws.</li> </ul>
<b>Industry Best Practices</b>	<ul style="list-style-type: none"> <li>The Privacy Office actively participates in advocacy efforts in connection with various federal, state and provincial privacy reform initiatives.</li> <li>Privacy Office colleagues are members of the International Association of Privacy Professionals and maintain relationships with federal, state and provincial regulators.</li> </ul>
<b>Customer Education</b>	<ul style="list-style-type: none"> <li>We strive to provide clear and accessible information to customers on how their information is collected, used, shared and disclosed (including with third parties). Where appropriate, we provide customers with choices that balance their expectation with the 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 for transparency and choice.</li> </ul>

**Challenge: Sharp Increase in Customers Turning to Digital Banking**

**Response:** As a result of the COVID-19 pandemic, TD experienced a swift uptick in customers adopting digital banking and quickly recognized the need to accommodate a broader population of customers at varying levels of digital proficiency. This included the need to improve customer experience while managing potential fraud through authentication options that do not require customers to visit a branch or store or call a Customer Contact Centre if they are locked out of their accounts.

In 2021, the Bank launched TD Authenticate, an app that enables customers to generate an authentication code on their mobile device using biometrics or a four-digit PIN. Behind the scenes, TD has leveraged various methods to enhance customer protection, including voice biometrics and mobile one-time password (where a customer uses a code sent to their mobile device in real time to authenticate their identity) to increase authentication confidence and continue protecting customers.

**Analyst Corner**



Data Security and Privacy Data ([page 86](#))

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

[Our Privacy Commitment](#)

[TD Canada Privacy Code](#)

[TD U.S. Privacy Notice](#)

[Europe and Asia-Pacific Privacy Notice](#)

[How You Can Protect Yourself](#)



Table of Contents

Introduction +

Governance

Corporate Governance and Integrity	22
Risk Management	28
Data Security and Privacy	30
<b>Human Rights</b>	<b>33</b>
Tax	34

Environmental +

Social +

<b>2021 Awards and Recognition</b>	<b>83</b>
<b>2021 Performance Data</b>	<b>84</b>
<b>2021 SASB Index</b>	<b>106</b>
<b>Endnotes</b>	<b>113</b>
<b>Acronyms</b>	<b>115</b>
<b>Caution Regarding Forward-Looking Statements</b>	<b>116</b>

# Human Rights

## Analyst Corner

- Human Rights Data ([page 86](#))
- [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](#)
- [TD Respectful Workplace Policy](#)



## Respecting Human Rights

In all our operations and across our businesses, TD is committed to supporting and respecting the protection of human rights. TD’s human rights commitment is also guided by the values reflected in international proclamations about human rights, such as the **Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, the International Covenant on Economic, Social and Cultural Rights, and the International Labour Organization’s core conventions.** TD’s primary businesses are conducted in countries that are governed by strong legal and human rights regulations. We comply with 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 colleagues, customers and the communities in which we operate and presents our overall approach to fulfilling our commitment.

For example, we abide by all applicable local 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 violence, harassment and discrimination, where every colleague, customer, client and third-party worker is treated with dignity and respect. TD’s colleagues are at the heart of everything we do, and we strive to cultivate a service-oriented, barrier-free and inclusive culture that attracts, invests in and promotes all talent, reflecting the diverse communities we serve. TD’s model is one of colleague engagement, and we encourage open dialogue to help us create a positive working environment where all colleagues can thrive.

TD’s commitment to respect human rights is made in accordance with the corporate responsibility to respect human rights as set out in the United Nations Guiding Principles on Business and Human Rights (UNGPs or “the Principles”). We continue to work towards integrating the UNGPs across the Bank. As part of this effort, in 2020, TD developed a Responsible Sourcing Due Diligence Guideline for TD-Branded Merchandise Vendors, which outlines the requirement to have independent third-party audits for social issues, such as forced labour, for any promotional products being supplied to TD. Also, in 2020, TD set a prohibition on providing 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, including the Arctic National Wildlife Refuge, which was informed by engagement with the Gwich’in Nation. The Arctic Circle is a unique and fragile environment and of crucial importance to the local Indigenous populations.<sup>49</sup> We updated our Statement on Human Rights in 2021 to further reflect this progress.

We expect and require every TD colleague 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** (the Code). Specific internal investigation and escalation processes are followed when concerns are raised regarding violence, harassment, discrimination or other conduct that would contravene the Code. Colleagues and Directors attest to compliance with the Code on an annual basis.

At TD, we condemn discrimination in any form and have committed to various initiatives to combat racism and its impacts. **Our 2021 initiatives** include making progress against our commitment to increasing representation at executive levels across North America from minority communities by October 31, 2025, to achieve 25% Black, Indigenous Peoples and minority community representation at VP+ levels, which, as at October 31, 2021, was **18.5%**; establishing an enterprise-wide Black Experiences area of focus within our diversity and inclusion (D&I) strategy; and investing in initiatives and organizations that address the impacts of anti-Black racism. We also have a long-standing commitment to respect the rights of Indigenous Peoples and continue to work to develop and promote understanding of the principle of free, prior and informed consent and its practical application in Canada in the responsible development of natural resources. See [page 73](#) for more information on our D&I strategy.

As described in our **Slavery and Human Trafficking Statement**, we believe that TD has appropriate policies and practices in place to address the risk of slavery and human trafficking in our business activities and supply chain. The Board is responsible for approving the TD Bank Group Slavery and Human Trafficking Statement.

**526,000+**<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 2021. Courses cover topics such as TD’s Code of Conduct and Ethics, diversity and inclusion, fair banking and serving customers with disabilities. Our fiscal year 2021 increase is a result of methodology changes and an expansion of our human rights-related training activities.”





Table of Contents

**Introduction** +

**Governance**

Corporate Governance and Integrity	22
Risk Management	28
Data Security and Privacy	30
Human Rights	33
<b>Tax</b>	<b>34</b>

**Environmental** +

**Social** +

<b>2021 Awards and Recognition</b>	<b>83</b>
<b>2021 Performance Data</b>	<b>84</b>
<b>2021 SASB Index</b>	<b>106</b>
<b>Endnotes</b>	<b>113</b>
<b>Acronyms</b>	<b>115</b>
<b>Caution Regarding Forward-Looking Statements</b>	<b>116</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 the tax planning strategies targeted by the OECD 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 incidence, 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 2021, **98%** of the taxes we paid were in these jurisdictions.

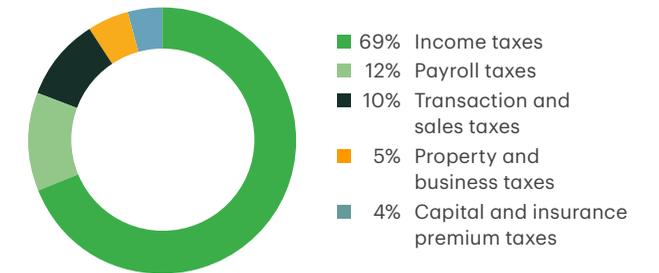
In the U.S., we make significant investments in affordable housing as discussed in the [Social Inclusion](#) section of this report. These investments result in Low-Income Housing Tax Credits, which lower the taxes we pay in the U.S. We also invest in municipal bonds in the U.S., which pay tax-free interest. 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

## Types of Taxes Borne by TD in 2021



## Analyst Corner

Tax Data ([page 86](#))

[Taxes Paid in Canada – TD’s 2021 Public Accountability Statement](#) (page 9)





Table of Contents

**Introduction** +

**Governance** +

**Environmental**

Our 'E' Journey	36
Climate Change	37
Sustainable Finance	42
Lending	45
Investing	47
Responsible Resource Use	51

**Social** +

<b>2021 Awards and Recognition</b>	<b>83</b>
<b>2021 Performance Data</b>	<b>84</b>
<b>2021 SASB Index</b>	<b>106</b>
<b>Endnotes</b>	<b>113</b>
<b>Acronyms</b>	<b>115</b>
<b>Caution Regarding Forward-Looking Statements</b>	<b>116</b>



# Environmental



Table of Contents

**Introduction** +

**Governance** +

**Environmental**

<b>Our 'E' Journey</b>	<b>36</b>
Climate Change	37
Sustainable Finance	42
Lending	45
Investing	47
Responsible Resource Use	51

**Social** +

<b>2021 Awards and Recognition</b>	<b>83</b>
<b>2021 Performance Data</b>	<b>84</b>
<b>2021 SASB Index</b>	<b>106</b>
<b>Endnotes</b>	<b>113</b>
<b>Acronyms</b>	<b>115</b>
<b>Caution Regarding Forward-Looking Statements</b>	<b>116</b>

## Our 'E' Journey: A Message From Our Head of Environment



**Nicole Vadori**  
VP and Head of Environment

**There is increasing urgency for collective action to address the risks related to climate change, which could have a significant negative effect on the global economy if mitigative actions are not put in place.<sup>41</sup> The specific path to transitioning to a low-carbon economy and addressing climate change is uncertain, but we know that the time for action is now.**

Through our Climate Action Plan, announced in 2020, which includes a target to achieve net-zero GHG emissions associated with our operations and financing activities by 2050, we are helping support the way to a low-carbon future for our customers, colleagues and communities in which we operate. At TD, we also understand that environmental action needs to go beyond addressing greenhouse gas emissions, which are often viewed as a lagging indicator. Environmental action and emissions reductions start with responsible resource use. We have a long history of working to minimize the environmental impact of our buildings and operations with strategies for reduced energy, water, paper use and now plastics.

In 2021, we continued our journey toward achieving our target of net-zero GHG emissions associated with our operations and financing activities by 2050, aligned to the associated principles of the

Paris Agreement.<sup>42</sup> We developed our Climate Action Plan Roadmap guiding us toward our 2050 net-zero goal and announced our interim reduction target for Scope 1 and 2 GHG emissions using a science-based approach, as well as our Scope 3 financed emissions targets for the priority sectors of Energy and Power Generation. We joined the Net-Zero Banking Alliance, adding strength to the global alliance of banks working on net zero by 2050.

Our Climate Action Plan also reflects our commitment to take action to support a just and orderly transition, that is, supporting workers, businesses and communities impacted by the transition to a low-carbon economy so its benefits are shared widely. We are all part of a global economic transition that requires committed partnership and collaboration to achieve our collective goals – every country, sector, organization and individual has a role to play. At TD, we are committed to the effort for the long term and will continue to be a catalyst for progress.





Table of Contents

**Introduction** +

**Governance** +

**Environmental**

Our 'E' Journey	36
<b>Climate Change</b>	<b>37</b>
Sustainable Finance	42
Lending	45
Investing	47
Responsible Resource Use	51

**Social** +

<b>2021 Awards and Recognition</b>	<b>83</b>
<b>2021 Performance Data</b>	<b>84</b>
<b>2021 SASB Index</b>	<b>106</b>
<b>Endnotes</b>	<b>113</b>
<b>Acronyms</b>	<b>115</b>
<b>Caution Regarding Forward-Looking Statements</b>	<b>116</b>

# Climate Change

## Why it matters to TD

Climate change is a top risk for TD. With continued severe weather events and risks related to the move toward a low-carbon economy, ensuring a sustainable future has never been more important. The 2021 report from the United Nations Intergovernmental Panel on Climate Change (IPCC), dubbed a “code red for humanity”, throws into sharp perspective the need for urgent, collective, inclusive and global action on climate change and the move toward a low-carbon future. Through our Climate Action Plan, we are working to embed climate considerations across our business lines and create effective business solutions.

## Our Approach – Realizing Our Climate Action Plan

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 North American bank to be carbon-neutral<sup>43</sup> in 2010 to being the first major Canadian bank to set a target to achieve net-zero<sup>44</sup> GHG emissions associated with our operations and financing activities by 2050, which is aligned with the associated principles of the Paris Agreement. In 2017, we were the first Canadian bank to announce \$100 billion target by 2030 to support the transition to a low-carbon economy and in 2018, we issued our first Task Force on Climate-related Financial Disclosures (TCFD) report. Our dedicated TD Environment team and Sustainability and Corporate Citizenship team are responsible for executing on the Bank’s climate strategy and work closely with the Environmental and Social (E&S) Risk Management team that manages E&S risks, including climate-related risk.

We continue to build on TD’s long history of environmental leadership and remain driven by the belief that we have a responsibility to work with our customers and the communities we serve to help propel sustainable growth. The global transition to a low-carbon economy and achieving net-zero emissions is not straightforward and governments, organizations and companies like TD need to think critically about how to facilitate a just and orderly transition, that is, supporting workers, businesses and communities impacted by the transition to a low-carbon

economy so its benefits of the transition are shared widely.<sup>45</sup> In 2020, we announced our ambitious Climate Action Plan, which reflects our commitment to supporting a just and orderly transition to the low-carbon economy and includes our target to achieving net-zero GHG emissions from our operations and financing activities by 2050. In 2021, we focused on answering the critical question of, “How does TD get there?”

In 2021, we focused on developing our approach to realize our Climate Action Plan. We developed a five-stage Climate Action Plan Roadmap guiding us toward our net-zero goal and we’re working collaboratively across the Bank and with external partners to forge a thoughtful path to net-zero. The first stage of the Roadmap was to establish our baseline to understand the GHG emissions associated with our operations and financing activities. We then turned our focus to setting interim targets, and researching external pathways (that is, researching and working with other organizations to understand how they are thinking about, planning and designing pathways to reach associated global climate goals) that will help support our internal pathways to achieving our targets and reporting on our progress. Detailed information about our performance according to this Roadmap can be found in the [TD’s Climate Action Plan Report](#).

In 2021, we’ve focused on answering the critical question of, “How does TD get there?”.

## Analyst Corner



- [Climate Change Data \(page 87\)](#)
- [Carbon Neutral Schedule \(page 90\)](#)
- [2021 Principles for Sustainable Insurance – Annual Disclosure](#)
- [TD’s Climate Action Plan: Report on Progress and Update on TCFD](#)
- [2021 CDP Climate Change Questionnaire Interim Scope 1 and 2 GHG Emissions Reduction Target](#)
- [Low-Carbon Economy Progress Report](#)
- [Advancing Our Climate Action Plan: Methodology for TD’s Interim Financed Emissions Targets](#)

Table of Contents

**Introduction** +

**Governance** +

**Environmental**

Our 'E' Journey	36
<b>Climate Change</b>	<b>37</b>
Sustainable Finance	42
Lending	45
Investing	47
Responsible Resource Use	51

**Social** +

<b>2021 Awards and Recognition</b>	<b>83</b>
<b>2021 Performance Data</b>	<b>84</b>
<b>2021 SASB Index</b>	<b>106</b>
<b>Endnotes</b>	<b>113</b>
<b>Acronyms</b>	<b>115</b>
<b>Caution Regarding Forward-Looking Statements</b>	<b>116</b>

**Performance in 2021**

**TD's Baseline and Targets**

TD joined the Partnership for Carbon Accounting Financials (PCAF) in 2020 to be part of the leadership discussing the development of carbon accounting methodologies for financial institutions. We continued our journey toward net-zero in 2021 by **announcing our interim target for our operational emissions. We established this target to achieve an absolute reduction in GHG emissions from our operations (Scope 1 and 2 GHG emissions<sup>46</sup>) by 25% by 2025, relative to a 2019 baseline.** This interim target has been set using a science-based approach and is in line with the 1.5°C trajectory recommended by the Paris Agreement. We used the Science Based Targets initiative's (SBTi) Absolute Contraction Approach.

This approach allows for setting an absolute emissions reduction target aligned with the global, annual emissions reduction rate that is required to achieve 1.5°C in a straight downward trajectory.

In the 2021 Climate Action Plan Report, we disclosed Scope 3 financed emissions from lending activities to our initial priority sectors: Energy and Power. Our approach to measuring these absolute financed emissions is consistent with PCAF guidance for the measurement of business loans. We have also developed a customized methodology for setting Scope 3 financed emissions targets with the support of an external partner. As a result of this work, we set Scope 3 targets for the Energy

and Power Generation sectors to be met by 2030. For more information on our financed emissions footprint or interim targets, please see the [Climate Action Plan Report](#). In 2022, we will continue to further measure our Scope 3 financed emissions footprint for additional asset classes and sectors as well as continue to work to set Scope 3 interim targets for additional sectors. We also continue to work to enhance our data capabilities, which is critical to our financed emissions work. We aim to improve our data quality and availability over time to deliver more consistent, transparent and reliable results. 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.



**External and TD Pathways**

We are focused on efforts that we believe will result in meaningful action to combat climate change and advance low-carbon solutions for a sustainable, inclusive economy. To continue being leaders in this space, we are taking a thoughtful approach to understanding the unique challenges and opportunities within each sector by working closely with clients to support their transition. We believe there is significant value in engaging with organizations such as the Institute for Sustainable Finance (ISF), RMI's Center for Climate-Aligned Finance, the PCAF and the TCFD and we were proud to join, with several of our Canadian banking peers, the NZBA in October 2021. The continued coordinated effort across industries is imperative if we are going to achieve net-zero GHG emissions by 2050.

Internally, we created the ESG Central Office to develop and implement our Climate TOM, in support of operationalizing our Climate Action Plan. We also continue working through the hubs of the newly formed **ESG Centre of Expertise (COE)** to leverage ESG expertise from across the Bank and drive progress in areas such as reporting, target setting, sustainable finance, strategies and education. The COE brings together the experience, expertise and talent of colleagues working on ESG issues across TD in order to coordinate and streamline efforts and provide thought leadership to support decision-making.

**TD's GHG Emissions Reductions Targets<sup>1</sup>**

**TD's Scope 1 & 2 GHG Emissions Target**

Set a new interim Scope 1 and 2 GHG emissions reduction target of 25% by 2025, relative to a 2019 baseline, using a science-based approach

Client Sector	Client Emissions Scope	Units	2019–30 Reduction Targets
Energy	Scope 1–3	gCO <sub>2</sub> e/CAD \$	29% <sup>2</sup> reduction relative to 2019 portfolio baseline
Power Generation	Scope 1	kgCO <sub>2</sub> e/MWH	58% <sup>2</sup> reduction relative to 2019 portfolio baseline

+ Please refer to the [Climate Action Plan Report](#) for additional details.

<sup>1</sup> More information on the financed emissions targets can be found in [Advancing Our Climate Action Plan: Methodology for TD's Interim Financed Emissions Targets](#)  
<sup>2</sup> 2021 IEA World Energy Outlook, CO<sub>2</sub> emissions pathways.



**Table of Contents**

**Introduction** +

**Governance** +

**Environmental**

Our 'E' Journey 36

**Climate Change** 37

Sustainable Finance 42

Lending 45

Investing 47

Responsible Resource Use 51

**Social** +

**2021 Awards and Recognition** 83

**2021 Performance Data** 84

**2021 SASB Index** 106

**Endnotes** 113

**Acronyms** 115

**Caution Regarding Forward-Looking Statements** 116

**Supporting Climate Opportunities**

Transitioning to a low-carbon economy will require significant resources dedicated to technology and infrastructure innovation.<sup>47,48</sup> In support of the transition, TD was the first Canadian bank to announce a financial target to further advance the low-carbon economy. TD has targeted \$100 billion in low-carbon lending, financing, asset management and internal corporate programs by 2030 and over the last five years has contributed over **\$86 billion**. The natural capital value<sup>49</sup> of this contribution is estimated at over **\$363.3 million**,<sup>50</sup> and the environmental

impact of our contribution to date is estimated at over 2.0 million tonnes of CO<sub>2</sub>e avoided (equivalent to the annual energy use of approximately 241,200 homes).<sup>51</sup> From an economic perspective, our financing activities have supported more than 213,400 jobs and contributed **approximately \$36.1 billion** to the GDP.<sup>52,53</sup> In addition to our low-carbon economy target, we continue to innovate and develop new sustainable finance products and services that we believe will further support the transition to a low-carbon economy in North America.

In 2021, we deployed a record \$30 billion in low-carbon lending, financing, asset management and internal corporate programs towards our \$100 billion by 2030 target to support the low-carbon economy low-carbon target. If similar market conditions hold, we expect to achieve our \$100 billion target by the end of 2022, eight years ahead of our plan. We are excited to build on this momentum and start work on the next evolution of this goal.

**“At a Glance” Progress on Climate Action Plan: Only have a few minutes? Read this.**

Our stakeholders, including customers and clients, expect TD to address climate change as an urgent issue and support their low-carbon transition efforts. We are working hard to understand the potential downstream impacts of our decisions regarding our transition toward a low-carbon economy, as well as the unique challenges and opportunities within key industries. We are also working closely with businesses, regulators, policy-makers, governments and organizations as they build and deploy their transition programs.

Here are a few steps we have taken:

- We are acting on our 2050 climate target announced as part of our Climate Action Plan through a five-stage Roadmap.
- We announced our **interim reduction target for TD's Scope 1 and 2 GHG emissions** using a science-based approach, which aligns with the Paris Agreement goal to keep warming below 1.5°C.
- We developed a customized methodology for setting Scope 3 financed emissions targets with the support of an external partner. As a result of this work, **we set Scope 3 targets for the Energy and Power Generation sectors to be met by 2030.**
- We are members of the PCAF to support the development of carbon accounting methodologies for financial institutions globally

and our approach to measuring our Scope 3 financed emissions from lending activities to our initial priority sectors (Energy and Power) was consistent with PCAF guidance for the measurement of business loans.

- We joined the **United Nations-convened NZBA**, a global, industry-led initiative to accelerate and support efforts to address climate change.
- We joined the **RMI Center for Climate-Aligned Finance** as a strategic partner to support the development of practical and scalable solutions that can help accelerate the transition to a low-carbon economy. Support of this initiative is a key step in our Climate Action Plan.
- We developed a climate risk inventory to identify the impacts that climate change may have on TD, our assets and clients as well as a heatmapping framework to support physical and transition climate risk identification and assessment.
- We released **TD's Thermal Coal Position**, which outlines the Bank's approach to managing the risk associated with coal mining and unabated thermal coal power generation.
- We continue to work through our **ESG Centre of Expertise** to leverage ESG experience across the Bank and participate in the global efforts needed to enable the low-carbon economy.



**David Pinsonneault**  
Executive Vice President,  
Canadian Business Banking

“We believe that a cross-business collaborative approach is critical to unlocking opportunities and creating positive impact for society and the environment. TD's Sustainable Finance Executive Council's enterprise-wide structure provides a platform to share insights between business lines to encourage growth in our low-carbon activities. By leveraging our expertise in ESG we will continue to support new business models and technologies that promote the low-carbon economy.”



**Table of Contents**

**Introduction** +

**Governance** +

**Environmental**

Our 'E' Journey	36
<b>Climate Change</b>	<b>37</b>
Sustainable Finance	42
Lending	45
Investing	47
Responsible Resource Use	51

**Social** +

<b>2021 Awards and Recognition</b>	<b>83</b>
<b>2021 Performance Data</b>	<b>84</b>
<b>2021 SASB Index</b>	<b>106</b>
<b>Endnotes</b>	<b>113</b>
<b>Acronyms</b>	<b>115</b>
<b>Caution Regarding Forward-Looking Statements</b>	<b>116</b>

Advancing the development and employment of **clean technology** (cleantech) provides a significant opportunity – to accelerate the pace of change through reducing or eliminating GHG emissions and to contribute to the transition from a linear to a circular economy.<sup>54</sup> TD can play an important role in supporting the development of clean technology through our activities. The following are a few ways in which we have contributed:<sup>55</sup>

- A commitment to cleantech principal investing, including acting as a cornerstone investor in some of Canada's leading cleantech venture and energy transition funds including **ArcTern Ventures, MacKinnon, Bennett & Co., Longbow Capital and Evok Innovations.**
- Alternative asset firm TPG's **Rise Climate fund has raised US\$5.9 billion** in subscriptions as of September 30, 2021. TPG Rise Climate is the climate investing strategy of TPG's global impact investing platform. TD is the only Canadian member of the Rise Climate Coalition, a group of businesses committed to exchanging knowledge, investment opportunities, and best practices to catalyze climate-focused capital that will help accelerate and scale climate solutions.
- Support for startups through the Accelerator Centre's **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. Examples of startups supported include:
  - Advanced Materials & Propulsion Engineering & Research (AMPERe) – developed an efficient and cost-effective single-stroke internal combustion engine with near-universal applicability that reduces GHGs.
  - Evercloak – developed ultrathin nanofilms that curb GHG emissions by reducing the energy required for commercial and residential air conditioning and dehumidification systems.

**Managing Climate Risk: Addressing Impacts on Business**

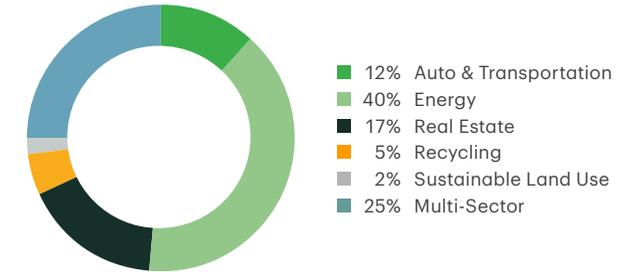
TD supports the recommendations from the Financial Stability Board's TCFD, which provide important guidance on using a more consistent approach to assessment and reporting of climate-related risks and opportunities. Since 2018, we have released an annual TCFD Report highlighting how TD has embedded the assessment of climate-related risks and opportunities into its governance, processes and reporting. In 2021, we expanded our TCFD Report to integrate an update on our Climate Action Plan. In addition to outlining TD's efforts to address climate risks and opportunities across our business, the report includes details on our progress towards implementing our Climate Action Plan. For full details, please see [TD's Climate Action Plan Report](#).

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

Extreme weather events continue to have an impact on jurisdictions where TD conducts business, directly affecting the communities we serve. In Canada alone, in 2021, insured damage across the insurance industry from severe weather reached \$2.1 billion and the losses in 2021 are now ranked as the sixth highest for insured losses since 1983.<sup>56</sup> In 2021, over the course of four months on the Canadian West Coast, British Columbia experienced unprecedented heat waves,<sup>57</sup> raging forest fires and heavy flooding. And on the Eastern U.S. Seaboard, Hurricane Ida devastated communities and triggered one of the worst urban flood disasters in Northeastern U.S. history. At TD Insurance (TDI), these events highlight our responsibility to meaningfully 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. Detailed information about TDI engagements can be found in [TD's Climate Action Plan Report](#). Examples include the following:

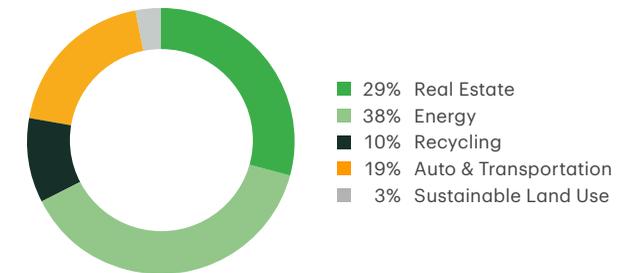
- TDI participates and demonstrates **leadership in cross-sector collaborations and research initiatives** to understand and help shape how the industry can increase resilience in the face of increasing extreme weather events.
- We actively participate in **industry associations** such as the Insurance Bureau of Canada, the Canadian Association of Direct Relationship Insurers and the

**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 \$86 billion total. Reflects cumulative total from 2017 to 2021.  
<sup>2</sup> The totals may not add up to 100% due to rounding.

**Breakdown of Jobs Supported by Market Sector<sup>1,2,3</sup>**



<sup>1</sup> Represents 2017–21 excluding the impact of multi-sector transactions due to methodology and data limitations.  
<sup>2</sup> The totals may not add up to 100% due to rounding.  
<sup>3</sup> The GHG emissions avoided (tCO2e) and the economic impact in terms of jobs and GDP, were calculated where data was available. For more information on the methodology used to calculate TD's contribution and impact assessment, see the [Low-Carbon Economy Progress Report](#).

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. TDI established its Advisory Board on Climate Change in 2019, a first for the Canadian insurance industry, to help guide TDI's efforts to address climate change issues and increase resilience in the communities we serve.

- We were the second Canadian-based signatory to the **UNEP FI Principles for Sustainable Insurance (PSI)** in 2014. In 2021, President and CEO of TD Insurance James Russell accepted a position on the UNEP FI



**Table of Contents**

**Introduction** +

**Governance** +

**Environmental**

Our 'E' Journey	36
<b>Climate Change</b>	<b>37</b>
Sustainable Finance	42
Lending	45
Investing	47
Responsible Resource Use	51

**Social** +

<b>2021 Awards and Recognition</b>	<b>83</b>
<b>2021 Performance Data</b>	<b>84</b>
<b>2021 SASB Index</b>	<b>106</b>
<b>Endnotes</b>	<b>113</b>
<b>Acronyms</b>	<b>115</b>
<b>Caution Regarding Forward-Looking Statements</b>	<b>116</b>

Leadership Council and a TDI executive is Vice-Chair of the PSI Board of Directors. Further progress is detailed in [TD's Climate Action Plan Report](#).

- TD Insurance has partnered with Alberta Severe Weather Management Society for over 25 years in the greater Calgary area, protecting more homes from severe hailstorms as the population continues to grow.
- TDI continues to review its exposure to climate risk and will determine if any additional actions are required to protect TDI and its customers in the near to medium term.
- TDI added an introduction to ESG to its onboarding program for new colleagues. This is part of the TDI commitment to helping to ensure all colleagues understand their role in helping TDI meet its ESG commitments and better protect customers across Canada.

- TDI continues to offer products and services to protect our customers against climate risks, including those posed by extreme weather events:
  - TDI introduced a severe weather alert function to its mobile application.
  - Since 2019, TDI has offered an extended water damage product to help customers protect themselves from sudden and accidental water damage from sewer backup and sump pump failure.
  - TDI has offered a discount on insurance for hybrid and electric vehicles since 2008 and 2011, respectively.
  - TDI deploys Mobile Response Units to provide disaster relief from catastrophic incidents related to severe weather.<sup>58</sup>
  - TDI's Enhanced Home Coverage includes additional protections to cover the costs of buying environmentally friendly products for repairs.
  - TDI includes insurance on solar panels in its mainstream insurance offerings standard homeowner insurance product; we do not require our customers to purchase additional coverage for their solar panels.
  - TDI offers discounts to customers who use stronger and longer-life-expectancy roofing materials in Alberta.



In June 2021, TD Insurance became a founding member of the **Climate Proof Canada Coalition**, a climate resilience group composed of insurance leaders, municipalities, Indigenous organizations, environmental non-governmental organizations and research organizations.<sup>59</sup> Climate Proof Canada aims to encourage the federal government to take action and prepare the nation for future disasters. In the lead-up to the 2021 Canadian federal election, the group was encouraged when all major parties included resilience in their platforms.

**Tech Jam 2021**

In 2021, we hosted our virtual, 10-day Tech Jam event where TD colleagues from across the enterprise worked in teams to develop innovative solutions to the question: How can we use technology to reduce our environmental footprint? As part of the preparations, participants learned about the TD ESG Framework and our global Climate Action Plan, including our target of achieving net-zero GHG emissions associated with our operations and financing activities by 2050. Tech Jam saw 25 teams pitch their solutions to judges from across TD, and the top solutions were shared with the relevant business leaders across the Bank to be considered for implementation.



Table of Contents

**Introduction** +

**Governance** +

**Environmental**

Our 'E' Journey 36

Climate Change 37

**Sustainable Finance** **42**

Lending 45

Investing 47

Responsible Resource Use 51

**Social** +

**2021 Awards and Recognition** **83**

**2021 Performance Data** **84**

**2021 SASB Index** **106**

**Endnotes** **113**

**Acronyms** **115**

**Caution Regarding Forward-Looking Statements** **116**

# Sustainable Finance

## Why it matters to TD

Leveraging our products and services, TD can support our clients in the transition to an inclusive, low-carbon future while supporting sustainable economic growth. To play a role in bringing sustainable finance into the mainstream, we continue to look for ways to direct capital flows toward opportunities that drive positive outcomes for the environment and society. With sustainable finance, we can create innovative ways to make progress against the priorities of our ESG Framework and Climate Action Plan. As we continue to broaden our offerings, we can provide our customers with options that enable them to make conscious choices that contribute to a more sustainable society.



## Our Approach

Mobilizing sustainable finance is a critical part of our work to achieve net-zero GHG emissions associated with our operations and financing activities by 2050. TD is engaged in many types of finance through our business activities, and we have sought to incorporate sustainable finance across the Bank. Where appropriate, we work alongside our clients to help them identify their role in the transition to a low-carbon future and embed ESG factors into decision-making through our advisory services and products, including green, social and sustainable bonds; sustainability-linked loan and bond structuring and underwriting; and ESG due diligence on mergers and acquisitions and private equity.

TD plays a role in implementing these recommendations with the aim of supporting the growth of the sustainable finance market. As an example, TD is a member of the Canadian **Sustainable Finance Action Council (SFAC)**, with Norie Campbell, Group Head and General Counsel, serving as the Chair of SFAC's Disclosure Technical Expert Group. SFAC was created in response to one of the Panel's report recommendations. Established in May 2021, SFAC brings together financial sector expertise to provide input on the foundational market infrastructure required for a stable and reliable, sustainable finance market in Canada that will boost investor confidence and drive economic growth.<sup>61</sup> Additionally, David Pinsonneault, Executive Vice President of Canadian Business Banking, represents TD on the Advisory Board of the Institute for Sustainable Finance (ISF). The ISF aims to align mainstream financial markets with Canada's transition to a sustainable economy. TD was a founding contributor and sponsor of the ISF, which was established in November 2020.

The Government of Canada established 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 make recommendations for potential next steps, roles and responsibilities.<sup>60</sup> The Panel released its final report in 2019 containing 15 recommendations.

## Analyst Corner

Sustainable Finance Data ([page 91](#))

[Green Banking](#)

Green Products ([page 91](#))

[TD Securities Sustainable Finance and Corporate Transitions Group](#)

[TD's Climate Action Plan: Report on Progress and Update on TCFD](#)





**Table of Contents**

**Introduction** +

**Governance** +

**Environmental**

Our 'E' Journey	36
Climate Change	37
<b>Sustainable Finance</b>	<b>42</b>
Lending	45
Investing	47
Responsible Resource Use	51

**Social** +

<b>2021 Awards and Recognition</b>	<b>83</b>
<b>2021 Performance Data</b>	<b>84</b>
<b>2021 SASB Index</b>	<b>106</b>
<b>Endnotes</b>	<b>113</b>
<b>Acronyms</b>	<b>115</b>
<b>Caution Regarding Forward-Looking Statements</b>	<b>116</b>

Established in 2019, **TD Sustainable Finance Executive Council (SFEC) plays a critical role in mobilizing sustainable finance across the Bank and aligning sustainable finance opportunities with TD's enterprise-wide ESG strategy.** The council, chaired by David Pinsonneault, consists of 12 executive members who act as sustainable finance champions within their respective business lines to develop a pipeline of environmental and social products, services and programs. In addition to contributing to and supporting the sustainable finance strategy, SFEC members provide leadership oversight on the strategy and help ensure it is implemented across the enterprise.

**Performance in 2021**

SFEC serves as a platform to mobilize sustainable finance across the Bank. In 2021, the SFEC members focused on activities such as creating new products and services and refining existing products to create positive green and social impact:

- The **Environmental Lending Program**, offered through Business Banking's TD Equipment Finance team in Canada, supports our customers' efforts to reduce their GHG emissions. With tailored solutions to meet customers' financing needs, the Environmental Lending Program finances various environmental transition activities that improve a company's carbon footprint.

As an example of their leadership in sustainable finance, in June 2021, TD Securities was selected by the Government of Canada's Department of Finance as one of two structuring advisors for its inaugural issuance of green bonds. TD Securities will advise on the design of Canada's green bond framework, assist in the development of the ongoing program and support an inaugural issuance.

- In Canada, we offered **green financial programs and services** across business lines, including **ECO**, a program offering special rates on financing for hybrid and electric vehicles. We financed over 6,000 hybrid and electric vehicle transactions valued at approximately \$251 million.
- In the U.S., TD Auto Finance originated nearly 6,000 new/used electric/hybrid vehicle loans totalling approximately US\$425.50 million. The total outstanding U.S. portfolio for these loans was US\$764.00 million.<sup>62</sup>

We believe 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. In 2020, TD Securities announced the formation of the new **Sustainable Finance and Corporate Transitions Group (SFCT)** and, in 2021, TD Securities focused on growing and integrating ESG expertise within its business. TD Securities is a key member of and contributor to TD's ESG Centre of Expertise.

The SFCT group is the central point for client coverage and combines activities across corporate and investment banking and global markets. The group focuses on providing ESG advice and delivering client-focused solutions that help to advance our clients' own ESG strategies and access to sustainable financing. Through this collaborative group, TD Securities offers clients advisory services, market access and transition and sustainability-focused financing globally. We engage with clients across many key sectors given that ESG risks and opportunities apply broadly across all industries. The group offers:

- **Advisory services** such as advice on best practices/ market standards for ESG integration and reporting
- **Market access** through ESG due diligence in mergers and acquisitions and private equity transactions
- **Products** such as green, social and sustainability, and sustainability-linked bonds and sustainability-linked loans

The work of the SFCT contributes 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.



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

“Against a rapidly evolving ESG landscape, working with a trusted advisor has never been more crucial. As a recognized market leader, TD's Sustainable Finance & Corporate Transitions group, established as part of TD's own Net Zero by 2050 target, is driving market innovation and delivering customized sustainable finance solutions that we believe will support the transition to a low-carbon economy. Our goal is to partner with our clients to support their transition to a sustainable future.”

# Sustainable Debt Financing

## Issuing

### US\$500 million

TD issued an inaugural US\$500 million three-year sustainability bond in 2020 under the Sustainable Bonds Framework. The proceeds of this sustainability bond are being used to finance and/or refinance loans,<sup>62</sup> investments and internal or external projects (collectively, “Eligible Assets”<sup>63</sup>) that meet the Sustainable Bonds Framework criteria. Examples of Eligible Assets include green buildings, clean transportation, access to essential services (health care and education), and affordable housing. TD followed this offering in December 2021 with an inaugural US\$500 million three-year green bond under the Sustainable Bonds Framework, and this debt offering was led by a syndicate of underwriters that included minority-, women- and veteran-owned business enterprises (MWVBes) and was the first time that a Canadian bank bond offering has been led by a syndicate group that included MWVBes as active joint bookrunners. To date, TD has issued four ESG-themed corporate bonds bringing its total ESG bond issuance to approximately \$3 billion. Of TD’s issuance, over \$1.5 billion has already matured (a \$500 million bond that matured in 2017 and a US\$1 billion bond that matured in 2020).

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

**Renewable Energy:** Term financing to assist Brookfield Renewable to acquire two portfolios of distributed generation solar facilities across nearly 600 sites in the United States, as well as projects under development. The facilities are contracted under long-term power purchase arrangements and are geographically diversified across 13 states and the District of Columbia within the United States. As a renewable energy source, solar energy helps to support the transition to a low-carbon economy.

**Affordable Housing:** Construction loan to an operational 36-unit affordable apartment complex located at Little Egg Harbor Township, Ocean County, New Jersey. Harbor House Apartments were originally developed and built with United States Department of Agriculture’s Rural Development funds in 1989. Ingerman Management Company, which purchased the complex consisting of three residential buildings, renovated all 36 of the units, which included new windows and doors, new plank flooring to replace the carpet, kitchens with energy star appliances, washers and dryers added to every unit, and new lighting.

**+ For detailed information on these projects, see the TD Sustainability Bond (2020) Issuance – Use of Proceeds**

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

### 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 may issue under the framework 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 UN SDGs,<sup>65</sup> and each impact area within the framework aligns with 11 of the 17 SDGs. To provide transparency and reflect the 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, which are all voluntary guidelines considered to be among the leading guidelines for the issuance of sustainable bonds.

## Investing

### \$11.7 billion

TD’s Treasury and Balance Sheet Management team considers green, social, sustainability and pandemic bond investments when managing the Bank’s Treasury investment portfolios. As of October 31, 2021, these portfolios included approximately \$11.7 billion in green, social, sustainability and pandemic bonds.

#### TD Bank Group ESG Investment Statement

We believe that incorporating environmental, social and governance considerations into our investment decision-making contributes to the overall economy and long-term sustainability of the environment. As such, **TD has set a target to hold \$15 to \$20 billion in green, social, sustainability and pandemic bonds in its Treasury investment portfolio by the end of 2025.**

## Underwriting

### Over \$77 billion<sup>64</sup>

underwritten by TD Securities across green, social, sustainable and sustainability-linked bonds and loans since 2010

**Examples:** TD Securities (TDS) played a leading role in the **European Union’s inaugural NextGenerationEU green bond** – the world’s largest green bond issuance at the time – and has supported the EU’s SURE social bonds program with over €4.6 billion of underwriting. The €12 billion 15-year green bond offering was oversubscribed 11-fold drawing a book of over €135 billion, demonstrating the strong demand for sustainable products in global bond markets. TD was the only Canadian bank involved in the syndicate for this historic EU green bond, confirming TDS’s leadership role in the global sustainable financial markets.

TDS served as the joint bookrunner and co-lead arranger and sole sustainability structuring agent for **Capital Power’s \$1 billion sustainability-linked credit facility**. TDS worked with the North American power producer based in Edmonton, Alberta, to link the company’s performance in reducing GHG emissions intensity to their borrowing costs. Capital Power has committed to reducing its GHG emissions intensity by 65% by 2030, from 2005 levels.



Table of Contents

**Introduction** +

**Governance** +

**Environmental**

Our 'E' Journey	36
Climate Change	37
Sustainable Finance	42
<b>Lending</b>	<b>45</b>
Investing	47
Responsible Resource Use	51

**Social** +

<b>2021 Awards and Recognition</b>	<b>83</b>
<b>2021 Performance Data</b>	<b>84</b>
<b>2021 SASB Index</b>	<b>106</b>
<b>Endnotes</b>	<b>113</b>
<b>Acronyms</b>	<b>115</b>
<b>Caution Regarding Forward-Looking Statements</b>	<b>116</b>

# Lending

## Why it matters to TD

As a financial institution, one of the biggest contributions we can make to a low-carbon economy is through our lending activities. Our customers, businesses and colleagues face challenges arising from evolving climate conditions, such as extreme weather events, exacerbated inequality and carbon taxes. At the same time, they are dealing with uncertainty in the energy transition process. By continuing to improve how we assess ESG risks and opportunities in our lending portfolio, we have the ability to help our clients move toward lower-carbon business activities, and help them manage their risk.

## Analyst Corner

- Lending Data ([page 92](#))
- [TD's Environmental and Social Lending Risk Process](#)
- [List of Stakeholder Engagements on Environmental and Social Topics: ESG Reporting Details](#)
- [TD's Climate Action Plan: Report on Progress and Update on TCFD](#) (page 40)



## Our Approach

As a large financial institution, TD has the opportunity to have an impact on business and influence the economy through our capital and expertise. TD provides a wide range of financial products and services, including Retail and Commercial Banking in Canada and the U.S. (under the brand TD Bank, America's Most Convenient Bank®) and Wholesale Banking (under the TD Securities brand), supporting customers with a presence in key global financial centres including Toronto, New York, London and Singapore. Operating an integrated financial institution means there is potential for the Bank's lines of business and operations to be exposed to a broad range of environmental and social (E&S) risks. Our risk management approach to our lending portfolio considers the intersectional impacts of E&S and climate risks on the more traditional risks associated with our borrowers' activities, such as credit, market, operational, model, legal, reputational and regulatory risks.

In 2019, we enhanced and formalized our governance of E&S risk by establishing an E&S Risk Management group under Operational Risk Management. The E&S Risk Management group has E&S risk oversight

accountabilities, including establishing risk policies, processes and governance to actively manage, monitor and report on these risks. In 2021, we expanded our E&S resources by establishing an ESG Credit Risk Team under Credit Risk Management, enhancing our approach to addressing the complexity of E&S risk on our lending portfolio at the individual credit risk assessment and portfolio levels. E&S risks are managed under the Bank's E&S Risk Framework. Through our participation in the **UNEP FI TCFD lending pilot**, we achieved a better understanding of the physical and transition climate risks in our current portfolio and have developed a heat mapping framework that aims to identify those industries most susceptible to climate risk. We are committed to participating in the global energy transition currently underway, and also recognize that traditional energy sources will continue to be a component of the energy mix. 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.



**Table of Contents**

**Introduction** +

**Governance** +

**Environmental**

Our 'E' Journey	36
Climate Change	37
Sustainable Finance	42
<b>Lending</b>	<b>45</b>
Investing	47
Responsible Resource Use	51

**Social** +

<b>2021 Awards and Recognition</b>	<b>83</b>
<b>2021 Performance Data</b>	<b>84</b>
<b>2021 SASB Index</b>	<b>106</b>
<b>Endnotes</b>	<b>113</b>
<b>Acronyms</b>	<b>115</b>
<b>Caution Regarding Forward-Looking Statements</b>	<b>116</b>

**Environmental and Social Due Diligence**

We manage E&S risk based on a life-cycle approach that begins before our formal engagement with a client and continues throughout our relationship. **TD's E&S Risk Process for Non-Retail Lending Business Lines** governs our approach for assessing risk and contains a set of due diligence tools that are applied to the Bank's significant non-retail lending activities. This Policy and associated risk assessment procedures are updated based on input from various sources, internal and external industry experts and consultancy and research firms as well as generally accepted international agreements and standards in providing industry-standard risk guidance.

Such procedures include the following:

- An **E&S risk assessment** is completed for every applicable borrower. Real estate secured lending deals that meet internal risk thresholds also require environmental site assessments.
  - We assess the Bank's clients' policies, procedures, and performance on significant E&S issues such as air, land and water risk; biodiversity; stakeholder

**E&S Risk-Enhanced Due Diligence Reviews by Sector 2021**

As part of TD's E&S Risk Process for Non-Retail Lending Business Lines, transactions that exceed certain thresholds and have elevated E&S Risk are escalated to TD's E&S Risk Management Team for additional review and potential further escalation to the business segment and/or Enterprise Reputational Risk Committee.

Sector	Number of reviews	Percentage of total
Forestry	25	5%
Mining and Minerals	32	7%
Oil and Gas	145	30%
Power and Energy	113	23%
Chemical and Industrial	116	24%
Other	57	11%
# Total Enhanced Due Diligence	488	100%

engagement; and the free, prior and informed consent of Indigenous Peoples.

- We assess whether the borrower is engaged in any prohibited activities and transactions based on E&S risk as per **TD's Prohibited Transactions List**. For a list of transactions that TD does not finance, please see page 2 of TD's Environmental and Social Lending Risk Process.
- Borrowers within Wholesale and Commercial Banking operating in sensitive sectors with **higher inherent environmental and/or social risk** require additional industry-specific enhanced due diligence.
- Since 2007, we have **embedded the Equator Principles (EP)** into our E&S risk processes.
- Transactions that score **high for E&S risk** are escalated to TD's E&S Risk Management group, which provides subject matter expertise, detailed review and recommendations for further action and escalation, through credit risk management and ultimately TD's Reputational Risk Committee, as required.

**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 in scope 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. TD has been a signatory since 2007.

In 2021, TD completed three EP transactions, all of which were project finance transactions. The number and categorization of EP deals undertaken this year is similar to the numbers reported in previous years.

**Challenge: Increasing Stakeholder Focus on Thermal Coal**

**Response:** Coal is the most carbon-intensive fossil fuel and, for that reason, global alignment with the Paris Agreement calls for a rapid transition away from coal as a source of energy. Our [Climate Action Plan Report](#) includes TD's position on thermal coal, which supplements our existing restriction on financing mountaintop removal coal mining. TD is committed to promoting sustainable and environmentally responsible business practices, and to supporting new and innovative solutions to reduce GHG emissions. We will work closely with clients as they transition their businesses away from thermal coal. Dedicated teams have been established to advise and support clients as they develop and



execute their low-carbon transition strategies. We are focused on supporting sustainable growth for our customers, clients and the communities we serve.



Table of Contents

**Introduction** +

**Governance** +

**Environmental**

Our 'E' Journey 36

Climate Change 37

Sustainable Finance 42

Lending 45

**Investing** **47**

Responsible Resource Use 51

**Social** +

**2021 Awards and Recognition** **83**

**2021 Performance Data** **84**

**2021 SASB Index** **106**

**Endnotes** **113**

**Acronyms** **115**

**Caution Regarding Forward-Looking Statements** **116**

# Investing

## ESG Integration

TD Asset Management Inc. (TDAM) is a leading asset manager in Canada and invests \$387 billion in assets on behalf of retail and institutional investors. TD acquired Greystone Capital Managed Investments Inc. in 2018, which is now fully integrated into TD Greystone Asset Management. TDAM offers a diversified suite of investment solutions to corporations, pension funds, endowments and foundations. Additionally, TDAM manages assets on behalf of almost two million retail investors and offers a broadly diversified suite of investment solutions including mutual funds, professionally managed portfolios and corporate class funds. As an investor in a broad range of investment classes, TDAM strives for investment excellence for its clients by incorporating environmental, social and governance (ESG) factors into investment decision-making.



**Priti Shokeen**  
VP & Director, TDAM

“As a long-term investor in diversified asset classes, the health of the financial markets, the communities in which our assets operate, and the natural capital on which economies depend for growth, is imperative. At TD Asset Management, we invest in assets through a risk-managed process, and ESG has never been more important to that process and to the long-term sustainability of our business, than it is today.”

TDAM integrates ESG factors across its fundamental equities, quantitative equities, fixed income, passive and alternative asset classes using a combination of approaches, including systematic ESG reviews, thematic ESG research, active ownership, issuer engagement and proxy voting. TDAM's ESG activities and performance can be categorized in three major areas:

- ESG integration
- Engagement and stewardship (including proxy voting)
- Thought leadership and client-driven ESG solutions

TDAM's integration efforts span across asset classes. In general, TDAM employs a three-pronged approach to assessing company risk that includes:

- **Investment analysis:** TDAM integrates ESG factors into its equity and credit research to highlight risks and to provide insight about potential opportunities. Using third-party and proprietary research, its equity analysts identify key investment themes (e.g., the role of transition fuels in the energy sector) and potential ESG risks associated with companies they track. 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 identified, characterized and calibrated in its analysis of fixed-income portfolios.
- **Engagement:** TDAM engages 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. Discussions cover water usage, energy efficiency, health and safety, corporate governance and the management of environmentally and socially sensitive issues such as carbon and other air emissions. TDAM's ESG research and engagement team develops an annual focus list approach that identifies companies that are lagging behind sector peers, have high climate risks, or fall below TDAM's expectations on diversity and inclusion.

TD's Portfolio Advice & Investment Research (PAIR) group has incorporated ESG factors into its investment philosophy and process and is dedicated to providing a range of services (investment portfolio reviews, construction, management, implementation and marketing) to TD Wealth advisors. In addition, PAIR services, through Investment Management Research, provide TD Wealth advisors with a platform of responsible investing solutions for their clients. PAIR is also currently developing appropriate channels of communication to socialize responsible investing practices with TD Wealth advisors with the goal of enabling them to educate and support their clients. These initiatives should be considered early stage and additional resources in terms of data, marketing and specialized support will be added to ensure that there is widespread impact and adoption.

- **Proxy voting:** Exercising voting rights as a shareholder is one of the key ways TDAM can positively influence ESG practices of the companies in which TDAM invests. In 2021, TDAM implemented new proxy voting guidelines that reflect its stewardship approach (see Performance section for proxy voting summary).

In 2008, TDAM became a signatory to the UN Principles for Responsible Investment (UN PRI) and was among the first Canadian bank-owned asset managers to sign the UN PRI. In 2020, the UN PRI conducted an assessment of TDAM's 2019 performance, with the next scheduled assessment to be released in June 2022 due to restructuring of their questionnaire. **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.



**Table of Contents**

**Introduction** +

**Governance** +

**Environmental**

Our 'E' Journey	36
Climate Change	37
Sustainable Finance	42
Lending	45
<b>Investing</b>	<b>47</b>
Responsible Resource Use	51

**Social** +

<b>2021 Awards and Recognition</b>	<b>83</b>
<b>2021 Performance Data</b>	<b>84</b>
<b>2021 SASB Index</b>	<b>106</b>
<b>Endnotes</b>	<b>113</b>
<b>Acronyms</b>	<b>115</b>
<b>Caution Regarding Forward-Looking Statements</b>	<b>116</b>

**Approach to Climate Change**

TDAM considers climate change a systemic risk affecting economies, companies and investors. TDAM's approach to climate change is aligned with its overall philosophy of integrating all sources of risk and return in our investment processes. TDAM engages with regulators, stock exchanges, global peers, and ESG data providers to strengthen the sustainable finance agenda. TDAM was one of twenty institutional investors to join a pilot project conducted by the **United Nations Environment Programme – Finance Initiative (UNEP FI)** to assess how climate change could potentially impact investor portfolios worldwide. TDAM is also an active participant in the ongoing **UNEP FI Investor Pilot (Phase Two)**. For more information regarding TDAM's approach to climate change, please see [TD's Climate Action Plan Report](#) and TDAM's inaugural TCFD report ([scheduled for publication](#) in Spring 2022).

In 2021, TDAM became a supporter of the **Task Force on Climate-related Financial Disclosures (TCFD)**. As supporters of the TCFD recommendations and end-users of TCFD reporting, TDAM believes it will be better equipped to evaluate and manage climate-related risks and opportunities in its portfolios and potentially add more value for investors.

**Performance in 2021**

- As of October 31, 2021, approximately 39% of mutual funds and exchange traded funds (ETFs) managed by TDAM and eligible for Morningstar Sustainability Rating™ were rated high or above average<sup>66</sup> based on the Morningstar Sustainability Rating™.<sup>67,68</sup>
- TDAM continued to **score ahead of the median** of its 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.
- TDAM is focused on delivering meaningful and impactful engagement outcomes. In 2021, TDAM had 328 ESG-focused engagements with companies (compared to 191 in 2020). These engagements covered a variety of

topics, including climate change, diversity, executive compensation and economic inclusion.

- TDAM investment teams conduct thematic, actionable ESG-related research with cross-sector impact and have published in 2021 the reports listed below and contributed relevant research pieces to industry publications.

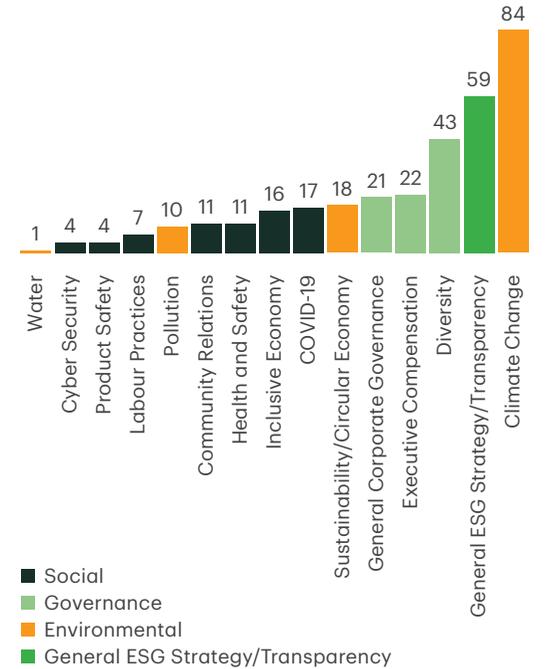
- + Lithium: A Circular Economy Perspective for ESG Investment and Stewardship**
- + A Roadmap for Asset Allocators to Achieve Net-Zero Portfolio Emissions**
- + A Commonsense Approach to ESG Contributes to Investment Excellence**

**Client-Driven ESG Solutions**

TDAM offers clients a suite of 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 Emerald Low Carbon / Low Volatility Global Equity Pooled Fund Trust:** The fund is designed to provide less than half the carbon footprint and a better risk-adjusted total return than a capitalization-weighted market index.
- TD North American Sustainability Equity Fund** is an active North American equity fund designed 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 is designed to invest 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.
- TD Morningstar ESG Index ETFs** are designed for investors looking to align socially responsible values while emphasizing investment returns of equity and fixed income securities with higher ESG ratings, as determined by Sustainalytics relative to its benchmark.

**Number of ESG-Focused Engagements by Topic<sup>1,2,3</sup>**



<sup>1</sup> An engagement in this context is considered a direct exchange or outreach to a company on a specific topic. One meeting with a company can include multiple topic engagements. TDAM also includes letters sent to companies on ESG topics as separate engagements.  
<sup>2</sup> Source: TDAM fiscal year 2021  
<sup>3</sup> ESG topic categorizations in the above chart may not align to TD's material topics and the associated ESG categorizations within this report as TDAM categorizes ESG topics into pillars according to the context of the specific engagement.

**Analyst Corner**

- Investing Data ([page 93](#))
- [TDAM Proxy Voting Guidelines/](#)
- [TDAM Disclosures on Proxy Practices](#)
- [Sustainable Investment Approach](#)
- [TD Sustainable Bonds Framework](#)
- [TDAM Sustainable Investing](#)





Table of Contents

**Introduction** +

**Governance** +

**Environmental**

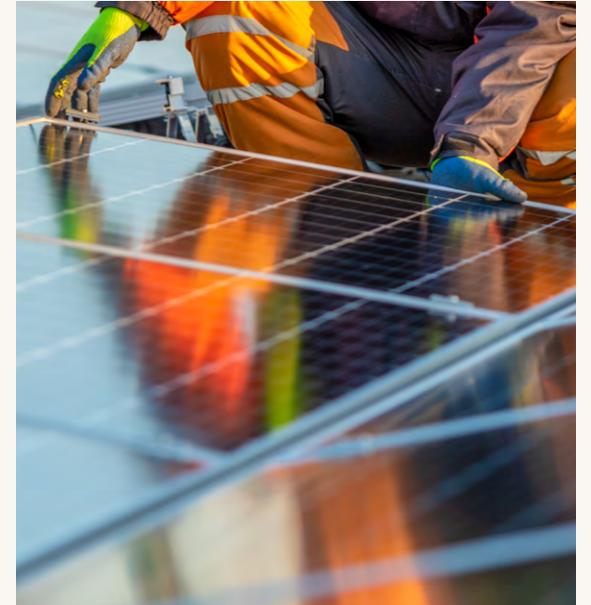
Our 'E' Journey	36
Climate Change	37
Sustainable Finance	42
Lending	45
<b>Investing</b>	<b>47</b>
Responsible Resource Use	51

**Social** +

<b>2021 Awards and Recognition</b>	<b>83</b>
<b>2021 Performance Data</b>	<b>84</b>
<b>2021 SASB Index</b>	<b>106</b>
<b>Endnotes</b>	<b>113</b>
<b>Acronyms</b>	<b>115</b>
<b>Caution Regarding Forward-Looking Statements</b>	<b>116</b>

## Case Study: TDAM Alternative Assets

TDAM's approach to ESG integration within alternative investments (e.g., real estate) is aligned with its business operating model that focuses on risk management, disciplined processes, sustainable returns and key stakeholders including its clients, the tenants in TDAM's properties, management companies, borrowers and the communities in which it is invested. ESG considerations are part of investment and portfolio management processes including acquisitions, developments, capital planning, and ongoing operations with the goal of delivering stable, growing income streams, creating value and mitigating risks over the long term. TDAM is committed to benchmarking this progress over time through both internal processes and third parties, where applicable.



### Benchmarking

GRESB <sup>1</sup> Score	2021 Score	2020 Score	GRESB Average
<b>Real Estate Assessment</b>			
TD Greystone Canadian Real Estate Strategy – Standing Investment	73	70	73
TD Greystone Canadian Real Estate Strategy – Development	79	75	79
TD Greystone Global Real Estate Strategy – Standing Investment	82	75	73
<b>Infrastructure Assessment</b>			
TD Greystone Infrastructure Strategy	85	70	77

<sup>1</sup> GRESB is an investor-led organization providing standardized and validated ESG data to the capital markets.

# 53%

TDAM remains committed to pursuing building certifications such as LEED, BOMA, Fitwel and WiredScore to promote tenant wellness and engagement. Currently, 53% of core properties in the TD Greystone Canadian Real Estate Strategy are certified, up from 52% in the previous year.



Table of Contents

**Introduction** +

**Governance** +

**Environmental**

Our 'E' Journey 36

Climate Change 37

Sustainable Finance 42

Lending 45

**Investing** **47**

Responsible Resource Use 51

**Social** +

**2021 Awards and Recognition** **83**

**2021 Performance Data** **84**

**2021 SASB Index** **106**

**Endnotes** **113**

**Acronyms** **115**

**Caution Regarding**

**Forward-Looking Statements** **116**

**Case Study: TDAM Alternative Assets (continued)**

- **Canadian Real Estate:** The TD Greystone Canadian Real Estate Strategy<sup>69</sup> saw increases in both its Standing Investment and Development assessments. The increase in scores for both the Standing Investment and Development assessments is primarily due to increased coverage of operational building certifications in its portfolio. Additionally, increased energy and GHG data coverage and energy reductions across most asset classes resulted in improved scores in the performance component.
- **International Real Estate:** The TD Greystone Global Real Estate Fund is an investor member in GRESB, thereby providing the fund access to fund manager GRESB data. There was an increase in the cumulative score of its fund managers, which is expected given the emphasis placed on ESG integration in the fund manager selection and ongoing monitoring processes. Additionally, the fund saw a 100% participation by its fund managers in completing the annual diversity survey.
- **Infrastructure:** TD Greystone Infrastructure Fund saw a significant increase in its score due to both robust fund-level oversight and asset-level performance. Most notably, Alberta PowerLine, a 500-kilometre transmission line located in Western Canada, received a five-star rating.

**Climate Change Risk Assessment**

**MSCI Climate Value-At-Risk:** In 2021, the TD Greystone Canadian Real Estate Strategy conducted a portfolio-wide climate-change-related risk assessment. The assessment considered both transition and physical climate-related risks.<sup>70</sup>

**UNEP FI – CRREM:** As part of seeking to understand the climate risks within the portfolios TDAM manages, TDAM participated in a UNEP FI pilot project focused on assessing transition risks. As part of the pilot, TDAM

selected 60 assets for evaluation by the Carbon Risk Real Estate Monitor (CRREM) tool – 30 from its Canadian fund and 30 from its Global fund. The CRREM tool is a spreadsheet-based analysis tool that takes asset-level energy usage and location data and compares it to science-based decarbonization pathways, generating an estimated point in time at which an asset no longer meets the requirements of the Paris Agreement 1.5°C target.

**Engagement**

**Mortgage Borrower Survey:** On an annual basis, the TD Greystone Mortgage Strategy team distributes an ESG borrower survey to its underlying borrowers. Borrower ESG information is tracked and incorporated into future versions of the survey. The team was pleased that the voluntary survey achieved 68% borrower participation in its inaugural reporting period in 2020. Moving forward, strategies to increase participation will be focused on convenience and clarity.

**Diversity and Inclusion Survey:** The International Real Estate team implemented the annual, voluntary diversity and inclusion survey, which was created to track ethnic and gender diversity of each manager within the fund and to assess the effectiveness of its diversity, equity and inclusion initiatives on an annual basis. In the first year of implementation, the fund saw a 100% participation from managers who reported data with varying degrees of transparency. Results of the survey revealed that, on average, the gender imbalance on the investment management teams was greater than at the total organization level, a trend consistent within the industry. The team believes that having an inclusive team leads to better decision-making because it provides for different perspectives. The survey allows the International Real Estate team to track results over time and believes that it will help create opportunities for manager engagement in the future.

**Sample Investments – Infrastructure**

1. The TD Greystone Infrastructure Fund (the “Fund”) is invested in Silicon Ranch Corporation (“SRC”), a leading solar developer based in the United States. The Fund was SRC’s first institutional investor and has continued to support SRC with six additional follow-on investments since its first investment in 2014. This has allowed SRC to grow into a leading solar operator with over 1,000 MW of operating solar and a further 2,000 MW of development sites. SRC is supporting the transition to net zero for numerous companies through the sale of renewable energy to major corporations such as Meta (formerly the Facebook company) and Amazon. Recently, SRC announced a partnership with one of its shareholders, Shell, to build a new solar facility in Canada to provide 20% of the energy needs of a refinery owned by Shell.
2. In 2021, the Fund increased its ownership of European renewables platform, Rabbalshede Kraft (“RK”) to approximately 90%. RK has been successful in building a platform of wind farms with over 250 megawatts of operating projects. TDAM believes the company is well-positioned to participate in the energy transition and RK is seeking to broaden its investments in solar, hydro power and green hydrogen production.
3. The Alberta Powerline is Canada’s longest transmission line at over 500 kilometres, which provides power to Northern Alberta. In 2018, the Fund invested in the transmission line along with an institutional partner and seven Indigenous communities. The Fund structured the transaction to enhance participation of Indigenous communities, allowing for a unique bid structure as well as broader community buy-in from local Indigenous communities, and better representation at the board level.



Table of Contents

**Introduction** +

**Governance** +

**Environmental**

Our 'E' Journey 36

Climate Change 37

Sustainable Finance 42

Lending 45

Investing 47

**Responsible Resource Use 51**

**Social** +

**2021 Awards and Recognition 83**

**2021 Performance Data 84**

**2021 SASB Index 106**

**Endnotes 113**

**Acronyms 115**

**Caution Regarding  
Forward-Looking Statements 116**

# Responsible Resource Use

## Why it matters to TD

Responsible resource use is about being thoughtful about the consumption of the resources available to us and is essential to our long-term sustainability. TD has long been a leader in environmental stewardship and as a financial institution with a significant physical footprint, we know our facilities and business operations consume a range of natural resources and materials and as such, we have the opportunity to look for ways to reduce our consumption.



With the world's population expected to reach almost 10 billion by 2050,<sup>71</sup> our demands on the planet's finite resources will only grow. As a financial institution with a significant physical presence and client base across many sectors, we are aware that our facilities and business activities can lead to the consumption of a range of those natural resources and materials. How these resources are managed is critical to environmental health and the shared ecosystems in which our clients, colleagues and communities operate.

TD understands that our environmental impact goes beyond climate change and addressing our emissions. 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>72</sup> We will continue to work to reduce our operational footprint and review our strategy and report on progress annually. With the announcement of TD's ESG Framework in 2020, we are recommitting our efforts to promoting the responsible and efficient use of resources through TD's operations and reach.

In 2021, we maintained our carbon neutrality<sup>73</sup> and we established a new interim science-based reduction target for Scope 1 and 2 GHG emissions, aligned with the Paris Agreement goal to keep warming below 1.5°C. In fiscal year 2021, we reduced our Scope 1 and 2 GHG emissions by 25% relative to our 2019 baseline and we remained in line with our target to have zero increase in our water use relative to our 2015 baseline, achieving 13% reduction in water use.

Embedded in TD's commitment to support the transition to a low-carbon economy is the perspective that another transition must occur – the transition from a linear economy to the circular economy. Resource use in the linear economy is not optimized, following a "take, make, waste" pathway. A circular economy aims to maximize the use of resources by designing products to minimize waste and reintegrate products back into production. 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.

Starting with our own operations, we support the circular economy through recycling, efficiency with water, energy and paper use, and we are on a journey of reducing the use of plastic across our physical footprint including:

- Reducing our single-use plastic branded merchandise;
- Replacing less eco-friendly merchandise with more sustainable merchandise made from Forest Stewardship Council/Sustainable Forestry Initiative (FSC/SFI) certified paper, recycled material and other sustainable options, including those for apparel;
- Working with our suppliers to encourage them to use recycled kraft paper instead of foam or plastic wraps for packaging; and
- By 2025, stopping the procurement of 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 and tea pods in our cafeterias.<sup>74</sup>

We also know there are opportunities beyond our footprint to support the circular economy. For additional information about our support of organizations playing a role in the transition to a circular economy, please see [TD's Philanthropic Support for the Circular Economy](#).

## Analyst Corner

Responsible Resource Use Data ([page 93](#))

[2021 GHG Emissions Assurance Statement](#)

[TD's Philanthropic Support for the Circular Economy](#)





**Table of Contents**

**Introduction** +

**Governance** +

**Environmental** +

**Social**

Our 'S' Journey	53
Financial & Economic Inclusion	54
Economic Value	60
Social Inclusion	63
Volunteerism	65
Responsible Sourcing	66
Customer Experience	68
Product and Service Responsibility	71
Diversity and Inclusion	73
Talent Attraction, Development and Retention	76
Health and Well-being	80

**2021 Awards and Recognition** 83

**2021 Performance Data** 84

**2021 SASB Index** 106

**Endnotes** 113

**Acronyms** 115

**Caution Regarding Forward-Looking Statements** 116



# Social



Table of Contents

**Introduction** +

**Governance** +

**Environmental** +

**Social**

**Our 'S' Journey** 53

Financial & Economic Inclusion 54

Economic Value 60

Social Inclusion 63

Volunteerism 65

Responsible Sourcing 66

Customer Experience 68

Product and Service Responsibility 71

Diversity and Inclusion 73

Talent Attraction, Development and Retention 76

Health and Well-being 80

**2021 Awards and Recognition** 83

**2021 Performance Data** 84

**2021 SASB Index** 106

**Endnotes** 113

**Acronyms** 115

**Caution Regarding Forward-Looking Statements** 116

# Our 'S' Journey: A Message From Our Head of U.S. Corporate Citizenship



**Shelley Sylva**  
VP and Head of U.S.  
Corporate Citizenship

TD's purpose is to enrich the lives of our customers, communities and colleagues. It's our central belief that together we can help build an inclusive future, where everyone has the opportunity to succeed in a changing world. Economic inequality is increasing and has been exacerbated by the pandemic.

Black, Indigenous Peoples 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 everywhere we operate.

TD has a strong history of supporting "S" initiatives and helping to address the needs of diverse customer segments, including LGBTQ2+ customers, persons with disabilities, and veterans. We have continued working to identify opportunities to leverage our philanthropy, as well as our business, to translate our enterprise ESG strategy into tailored, local-level

support for financial and economic inclusion and help strengthen the communities we serve. Through our products and services, like the new US\$100 million equity fund to support minority-owned businesses and our TD-Canada Post strategic partnership aimed at increasing access to financial services for Canadians in rural, remote and Indigenous communities, we are seeking to create space that allows a greater number of businesses and customers to access key financial services. I am excited for what awaits TD in 2022 as we focus on continuing to further our work in financial and economic inclusion, and delivering an integrated, holistic approach that helps us continue to be the Better Bank.

TD is focused on making a positive impact on social and economic outcomes for our customers, colleagues and communities in which we serve as an employer, as a business operator, as a financial institution, and as a corporate citizen.

**As a financial institution providing financial services and advice to our customers, we are working to:**

1. Increase access to financial products and services
2. Provide relevant financial education and advice
3. Increase access to credit/capital
4. Address segment-specific needs

**As a corporate citizen, business operator and employer we aim to:**

5. Provide investment capital and/or loans to initiatives that increase access to affordable housing, jobs and basic infrastructure and support a just and orderly transition, that is, supporting workers, businesses and communities impacted by the transition to a low-carbon economy so its benefits are shared widely
6. Build a more inclusive supply chain
7. Ensure equity in all our employment and pay practices, including diversity and inclusion
8. Leverage our philanthropy to help address root causes and effects of economic disparities

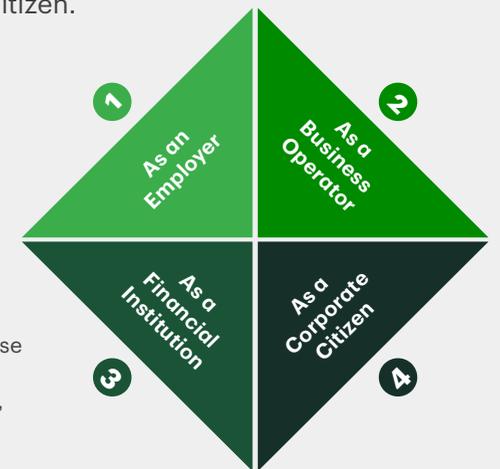




Table of Contents

**Introduction** +

**Governance** +

**Environmental** +

**Social**

Our 'S' Journey 53

**Financial & Economic Inclusion** **54**

Economic Value 60

Social Inclusion 63

Volunteerism 65

Responsible Sourcing 66

Customer Experience 68

Product and Service Responsibility 71

Diversity and Inclusion 73

Talent Attraction, Development and Retention 76

Health and Well-being 80

**2021 Awards and Recognition** **83**

**2021 Performance Data** **84**

**2021 SASB Index** **106**

**Endnotes** **113**

**Acronyms** **115**

**Caution Regarding Forward-Looking Statements** **116**

# Financial and Economic Inclusion

## Why it Matters to TD

Our success is deeply interconnected with the well-being of communities that support our business, as well as the relationships we have in the communities we serve. We want to see our communities thrive. Not only is it the right thing to do to help ensure access to financial services, but economies grow faster and for longer periods when prosperity is distributed more equitably across segments of the population.<sup>75</sup> There continues to be economic fallout from COVID-19, particularly among low-income and marginalized communities.<sup>76</sup> While economies are beginning to recover after the initial shock of the pandemic, many individuals and communities continue to struggle to save or maintain their financial health. In order to continue serving the unique needs of our customers and help them to address the negative impacts of the pandemic, TD focuses on providing equitable access to banking and addressing our customers' financial health and education. This is core to our journey to foster financial inclusion and promote inclusive economic growth across our footprint.<sup>77</sup>



## Our Approach

We take the role of supporting people from all walks of life very seriously, when it comes to accessing core banking products and increasing 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, colleagues 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.

## Analyst Corner

[Financial and Economic Inclusion Data \(page 96\)](#)

[TD Ready Advice](#)

[Women in Business Website](#)

[TD and Indigenous Communities Report](#)

[Black Customer Experience](#)





Table of Contents

Introduction +

Governance +

Environmental +

Social

Our 'S' Journey 53

Financial & Economic Inclusion 54

Economic Value 60

Social Inclusion 63

Volunteerism 65

Responsible Sourcing 66

Customer Experience 68

Product and Service Responsibility 71

Diversity and Inclusion 73

Talent Attraction, Development and Retention 76

Health and Well-being 80

2021 Awards and Recognition 83

2021 Performance Data 84

2021 SASB Index 106

Endnotes 113

Acronyms 115

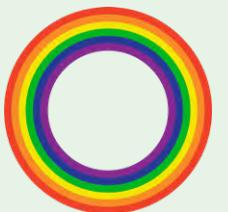
Caution Regarding Forward-Looking Statements 116

Performance in 2021

Encouraging Inclusion by Serving Diverse Customers

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

Diverse Customer	Products and Services
<b>People With Disabilities (PWD)/Individuals with Diverse Abilities (IwDA)</b>	<ul style="list-style-type: none"> <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>As part of our efforts to create a more inclusive and accessible environment for all, TD is partnering with the technology company Aira to introduce enhanced services for customers in Canada and the U.S. who are visually impaired.</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>Newcomers to Canada have access to a New to Canada banking package that includes a chequing account that, for the first 12 months, has no monthly fee and unlimited free global money transfers. TD also waives the Canadian credit history requirement for newcomers seeking a credit card.</li> <li>Many ATMs in Canada and the U.S. have multilingual capabilities.</li> <li>TD's financial persona quiz and New to Canada welcome booklet are offered in 10 languages to help newcomers understand the Canadian banking and credit system and to help our colleagues have meaningful advice conversations with customers who are new to Canada.</li> </ul>
<b>Indigenous Peoples</b>	<ul style="list-style-type: none"> <li>Our <b>First Nations Home Loan Program</b> provides financing to First Nations members to purchase, renovate or construct single-family homes on First Nations' lands and settled lands.</li> <li>We offer a wide range of products and services in Canada to customers from Indigenous communities, including <b>telephone banking services (available in Cree and Inuktitut languages)</b> and four branches on reserve and one currently under construction.</li> <li>Our dedicated <b>Indigenous Banking Group</b> in Canada works closely with internal business partners to help provide a comprehensive approach to serving clients from the Indigenous community.</li> </ul>
<b>LGBTQ2+ Customers</b>	<ul style="list-style-type: none"> <li>Currently, TD supports more than 100 LGBTQ2+ community initiatives across Canada and the U.S.</li> <li>To create an inclusive banking experience, customers in Canada have the <b>option to use their preferred name, pronouns, gender-neutral title and gender marker</b> through our branch, phone and ATM channels.</li> <li>TD partnered together with National LGBT Chamber of Commerce and Destination Tomorrow to launch the <b>Transgender and Gender Non-Binary Entrepreneurial Development Program</b> to support trans and non-binary business owners and aspiring entrepreneurs in Metro New York.</li> <li>To enhance the customer experience for members and allies of the LGBTQ2+ community, we introduced a <b>Forever Proud mobile app</b> for our Canadian colleagues. Through the app, colleagues can connect their friends and family with a dedicated LGBTQ2+ TD Regional Manager who understands the unique challenges and financial needs of the LGBTQ2+ community.</li> </ul>





**Table of Contents**

**Introduction** +

**Governance** +

**Environmental** +

**Social**

Our 'S' Journey	53
<b>Financial &amp; Economic Inclusion</b>	<b>54</b>
Economic Value	60
Social Inclusion	63
Volunteerism	65
Responsible Sourcing	66
Customer Experience	68
Product and Service Responsibility	71
Diversity and Inclusion	73
Talent Attraction, Development and Retention	76
Health and Well-being	80

**2021 Awards and Recognition** 83

**2021 Performance Data** 84

**2021 SASB Index** 106

**Endnotes** 113

**Acronyms** 115

**Caution Regarding Forward-Looking Statements** 116

**Diverse Customer**

**Products and Services**

**Women**

- We aspire to be the preferred bank for women-owned and women-led businesses to help facilitate their success and growth. In order to support this aspiration, we are expanding our network of **Women in Enterprise** accredited bankers across Canada who have received training on understanding the barriers and biases women face in accessing financing.
- We collaborate with organizations such as The Forum and projects like ILaunchHer (in partnership with WEConnect International, Business Development Canada and Export Development Canada) to support women business owners by providing them with easier access to mentors who can help them grow their business.
- Through our **TD Wealth for Women Program** in Canada, we have a national program of dedicated women specialists. We also equip our advisors with educational resources that foster a deeper understanding of women's unique investment needs and life stages.



**Black/Visible Minority (Canada)/Minority (U.S.) Customers**

- In Canada, we have a dedicated team to support Black customers across the country and announced our **Black Customer Experience strategy in 2021**.
- TD announced a \$10 million commitment over the next five years to the **Black Opportunity Fund**. This donation is among the largest contributions in Canada to a Black-focused, Black-led and Black-serving organization.
- In the U.S., TD hired a **Community Business Development Officer** in New York City (NYC) dedicated to **servicing diverse communities** and focused on business development, customer advocacy and strategy development to enhance relationships and referrals within NYC's diverse communities. We are expanding this role into other markets throughout 2022.
- We established a new **Asian Community Segment Strategy** with the goal of understanding and supporting the needs of the Asian community in Canada by focusing on client and colleague engagement, business development, and raising awareness. The Strategy aims to support new Asian Canadians, permanent residents, international students and returning expats.



**Veterans**

- We introduced discounted fees on our Home Equity products for U.S. customers who are veterans or active service members, which includes no origination or annual fees on all sizes of home equity lines of credit and no origination fee on home equity loans.



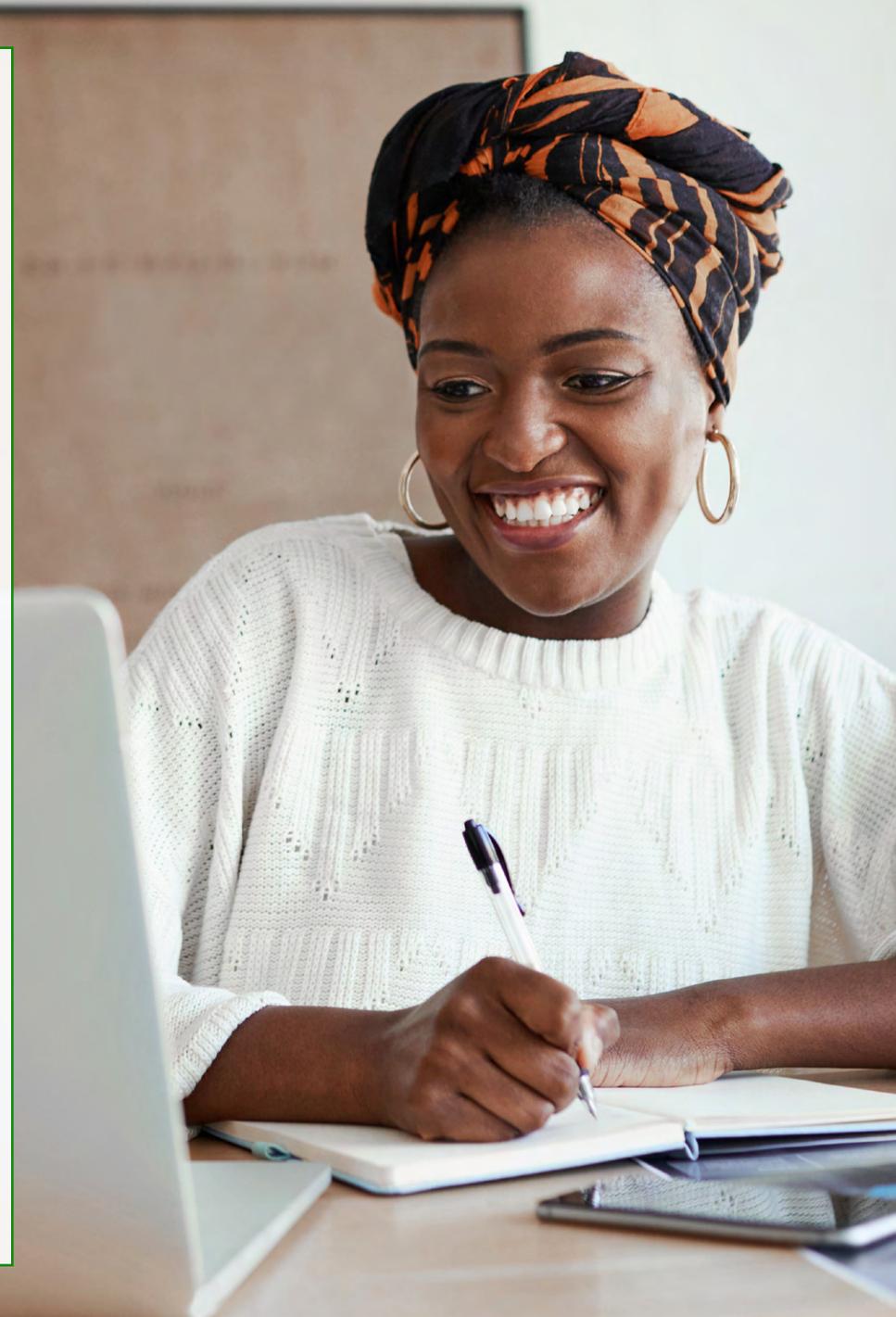
## Black Customer Experience Strategy

We know that Black community members face economic barriers that could be intensified by inadequate access to financial services and solutions that do not meet their needs and challenges. Multigenerational systemic bias and racism have resulted in economic inequity and a perpetual cycle of disenfranchisement among many members of the Black community. In 2021, we launched the Black Customer Experience Team dedicated to serving Black communities and businesses in Canada and focused on creating a best-in-class customer program. Dedicated Regional Managers serve as trusted liaisons between TD and the Black community and work closely with colleagues from across the enterprise who provide Black clients with the financial advice and service they deserve.

In 2021, the Black Customer Experience Team hosted a virtual iChallenge, sponsored by three Senior Executive Team members, that brought together 109 TD colleagues from across Canada who developed effective solutions that better meet the unique financial needs and aspirations of Black communities. Fifteen ideas were generated as a result of this iChallenge and the top teams are receiving mentorship sessions with TD executives who judged the contest. The Black Customer Experience Team is assessing the top ideas for potential future implementation.

Our strategy is defined by the belief that we must take the initiative to better our financial services by recognizing any gaps in service and addressing them ourselves through proactive outreach community by community. We aim to provide elevated advice and customer experience to better serve the personal and business needs of these communities as part of our broader commitments to help achieve financial and economic inclusion and address anti-Black racism and its impacts.<sup>15</sup>

2021  
2021  
2021  
End  
Acres  
Caution Regarding  
Forward-Looking Statements 116



**Al Ramsey**  
Vice President,  
LGBTQ2+ & Black Customer Segments

“I’m honoured to lead this unique and transformative mandate within the financial industry. Our Black customers are an integral part of the health and success of TD. Our goal is to deliver the whole Bank to the Black community – from credit to advice – to help achieve financial and economic inclusion. Building on over 15 years of community outreach, we now have a fully staffed and funded team across Canada to accelerate our support.”

Hosted

**20+**

financial education events to support Black-owned businesses





Table of Contents

**Introduction** +

**Governance** +

**Environmental** +

**Social**

Our 'S' Journey	53
<b>Financial &amp; Economic Inclusion</b>	<b>54</b>
Economic Value	60
Social Inclusion	63
Volunteerism	65
Responsible Sourcing	66
Customer Experience	68
Product and Service Responsibility	71
Diversity and Inclusion	73
Talent Attraction, Development and Retention	76
Health and Well-being	80

**2021 Awards and Recognition** 83

**2021 Performance Data** 84

**2021 SASB Index** 106

**Endnotes** 113

**Acronyms** 115

**Caution Regarding Forward-Looking Statements** 116

**Financial Inclusion: Improving Access to Financial Services**

**TD is committed to providing all customers with equal access to products and services regardless of race, ethnicity and gender.**

We do not perform credit checks at deposit account opening in both Canada and the U.S., which helps to reduce barriers to financial services for vulnerable populations. We also open personal accounts regardless of whether a person is unemployed or is experiencing/has experienced bankruptcy at any time, subject to required conditions.

In the U.S., TD Bank has an open access model for helping customers are able to join the mainstream banking system. We design products to be inclusive and accessible and actively monitor our engagement with our customers throughout their banking relationship with us.

The following initiatives, launched in 2021, highlight our commitment to supporting continued access to banking.

**Canada**

TD and Canada Post announced a new alliance to expand access to financial services for Canadians, particularly those in rural, remote and Indigenous communities. Through the alliance, Canada Post and TD launched a pilot in the fall of 2021 for a new personal loan product, starting at \$1,000, in select post office locations with the aim of eventually expanding availability across Canada. A total of 211 locations are now live, with test locations in Manitoba, Nova Scotia, Southwestern Ontario, and Quebec. The contact centre and digital application launched September 1, 2021, and the first Canada Post loan was successfully funded on September 9, 2021. Canada Post employees received training to direct customers on how to apply to TD for the new product, through either an online application or a toll-free number. TD supports customers through the application, decision-making and funding process, and customers have access to support, including financial education resources and online banking.

**United States**

TD Bank introduced a new TD Essential Banking checking account for U.S. customers. Available through our digital channels (public site, mobile app, and online account opening) and retail network, the account is designed to meet the needs of more of our customers in more communities by providing additional affordable access to mainstream financial services. The account has a low monthly maintenance fee, no minimum daily balance requirements and no overdraft fees or services.

TD conducted a **survey of Canadians in 2021 to assess the impact of COVID-19 on the financial health of diverse communities**. The survey found that in most diverse communities, women remain more negatively affected on most metrics of financial confidence and financial health. The findings reinforce the importance of offering inclusive banking products and services and investing initiatives that aim to improve the financial education of children, adults and small business owners.

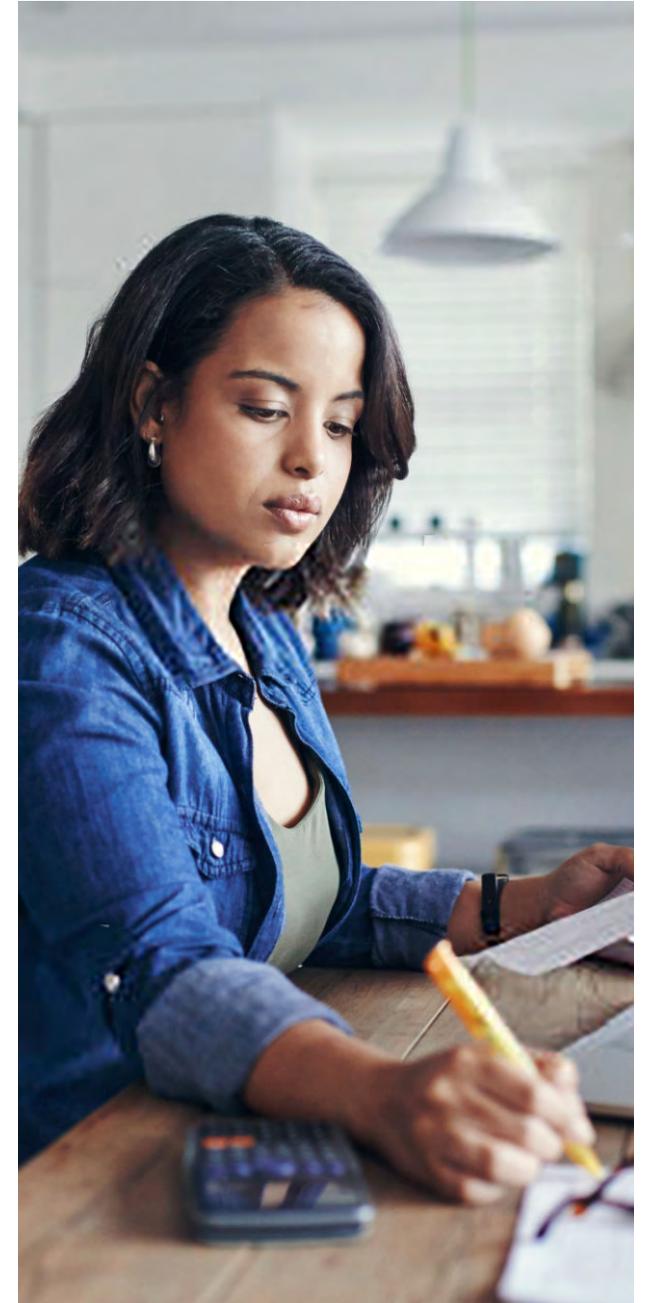




Table of Contents

**Introduction** +

**Governance** +

**Environmental** +

**Social**

Our 'S' Journey 53

**Financial & Economic Inclusion** 54

Economic Value 60

Social Inclusion 63

Volunteerism 65

Responsible Sourcing 66

Customer Experience 68

Product and Service Responsibility 71

Diversity and Inclusion 73

Talent Attraction, Development and Retention 76

Health and Well-being 80

**2021 Awards and Recognition** 83

**2021 Performance Data** 84

**2021 SASB Index** 106

**Endnotes** 113

**Acronyms** 115

**Caution Regarding Forward-Looking Statements** 116

**Financial Health and Education**

**TD is a long-standing supporter of financial health and education.**

**Canada**

The TD Financial Health and Education (FHE) team within Canadian Personal Banking (CPB) is mobilizing the enterprise to develop strategies that accelerate progress toward improving financial health<sup>78</sup> for our customers:

- In 2021, the FHE team launched a **Financial Health Assessment Tool** enabling customers to access material about and assess their financial health. Depending on their financial health assessment, the tool provides the customer with a call to action to meet with a TD advisor.
- As of 2021, customers can now access their credit score through the Verified.me application.
- Financial health advice is embedded in the onboarding programs for Financial Advisors and Personal Banking Advisors.
- Within CPB, the Product Operating Committee approved embedding financial health objectives and key results within their teams. This means teams and leaders will be held accountable for making progress in financial health and education.

According to the 2021 **TD Financial Literacy Month Survey**, one in three (33%) Canadian parents surveyed are not confident they are setting a healthy financial example for their children and only 10% surveyed consider their household in “excellent financial health.”<sup>79</sup> During Financial Literacy Month (November 2021), TD provided access to effective digital tools, resources and advice to help Canadians, including parents, become more financially confident and resilient.

**United States**

We are committed to **promoting financial health and wellness, particularly for members of low-to-moderate income (LMI) communities**. In 2021, we hosted approximately 490 financial education events across our four educational categories: adult general, homebuyer, small business and youth education. Across the adult general educational events we hosted, over 2,590 individuals attended, with approximately 85% of attendees from LMI communities.

2021 saw the **further integration and enhancement of TD Bank Financial Education resources**. For example, financial tips and tools are now available to all U.S. TD mobile app users via the TD for Me feature. Store

and phone channel agents can offer to send customers SMS text messages that direct them to financial education information relevant to their interests.

Through the **Congreso de Latinos Unidos, the Mi Casa Financial Digital Literacy** program, supported through the TD Charitable Foundation, provides culturally competent financial education courses for interested homebuyers in the greater Philadelphia area. Shifting to an exclusively virtual format, Mi Casa offers a virtual hybrid of live and self-guided classes. Of the 518 interested homebuyers who enrolled in the class, more than 40 families purchased a home.

The **Money School program at the Delaware Community Reinvestment Action Council** helps individuals and families with limited access to a bank establish financial security through coaching and a financial education curriculum that prioritizes self-identified goals.

**Moving the Needle on Financial Education for Small Business Owners in the United States**

With US\$300,000 from the TD Charitable Foundation, Ascendus (formerly Accion), a certified Community Development Financial Institution (CDFI), supported 5,800 small business owners with 13,600 hours of one-on-one financial counseling. Of these business owners, 3,700 received technical assistance and counseling on topics including applying for relief programs, managing through the pandemic and revenue volatility in a newly virtual environment. More than 1,000 business owners who were at risk of permanently closing their businesses received US\$14.4 million in disbursements from Ascendus relief capital. When business owners were unable to access government relief,

TD and Ascendus launched a referral program to help ensure that capital and financial coaching were available to business owners regardless of their financial health. This referral program allows business owners to access capital, receive financial coaching and maintain relationships with TD as they move along the financial health spectrum. Since 2006, the TD Charitable Foundation and the Office of Charitable and Community Giving has supported the Ascendus Maine to Miami Small Business Lending and Financial Education program with more than US\$4 million in funding.





Table of Contents

**Introduction** +

**Governance** +

**Environmental** +

**Social**

Our 'S' Journey 53

Financial & Economic Inclusion 54

**Economic Value** **60**

Social Inclusion 63

Volunteerism 65

Responsible Sourcing 66

Customer Experience 68

Product and Service Responsibility 71

Diversity and Inclusion 73

Talent Attraction, Development and Retention 76

Health and Well-being 80

**2021 Awards and Recognition** **83**

**2021 Performance Data** **84**

**2021 SASB Index** **106**

**Endnotes** **113**

**Acronyms** **115**

**Caution Regarding Forward-Looking Statements** **116**

# Economic Value

TD's impact on the economy is both broad and deep. When we succeed, the benefits of our success ripple through the economy, creating greater prosperity for the communities in which we operate. Our most direct contribution comes through maintaining a strong business with solid revenues, which allows us to pay our colleagues fair wages and benefits, suitably 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

With the gradual easing of pandemic-related restrictions over 2021, business performance in Canada and the U.S. began to improve; however, COVID-19 persists and, as such, challenges and uncertainty remain for businesses in both countries.<sup>80</sup> We continued providing essential support to commercial and small businesses in our footprint 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 2021, we continued supporting federal programs intended to help businesses and, in particular, small businesses, which are critical drivers of local economies, to recover and thrive in these challenging times.

### Canada

- TD is committed to supporting businesses in Canada through product and service offerings and through the strong relationships that business bankers build with customers and communities. **We have business bankers dedicated to different industry and demographic segments** and we equipped our bankers with tools to help serve customers remotely during COVID-19.
- In 2021, we participated in a new government COVID-19 support program, the Business Development Bank of Canada (BDC) **Highly Affected Sectors Credit Availability Program (HASCAP)**. Through HASCAP, TD has provided over \$500 million in financing to over 2,500 small business and commercial clients. In 2021 we also continued to participate in COVID-19 government support programs for businesses to help offset negative impacts of the pandemic, including the EDC Business Credit Availability Program, the BDC Co-Lending Program and the *Investissement Québec Programme d'action concertée temporaire pour les entreprises*, all introduced in 2020.
- The **Canada Emergency Business Account** is a federal government program focused on keeping small and medium-sized businesses solvent and supporting the economy. TD mobilized its colleagues and technology assets to facilitate the disbursement of approximately \$11.6 billion to approximately 213,000 small business and commercial clients since April 2020.

### United States

- In September 2021, the existing Small Business Digital Loan Application, launched in 2020 to support LMI communities during the pandemic, was replaced with a new **Small Business Digital Lending Application Portal**. The new application channel shares login and functionality with the Paycheck Protection Program (PPP) portal. New features of the portal include the ability for customers to apply at their own pace and a convenient and familiar platform for existing PPP borrowers.
- TD Bank continues to invest in our **Small Business Online Deposit Account Opening platform**, launched in 2019, which enables small businesses to open deposit accounts online. During 2021, we enhanced the platform to include an improved user experience and greater automation. As a result, 15,000 new small business deposit accounts were opened during the year.
- TD Bank launched embedded invoicing in October 2021 through **TD Online Accounting** to offer small businesses the ability to send free invoicing through their small business checking account.
- **TD Bank remained a top participant in the U.S. Small Business Administration's (SBA) PPP**. TD Bank has funded approximately 133,000 PPP loans for more than US\$11.8 billion. TD began accepting PPP round one loan forgiveness applications in September 2020 and PPP round two forgiveness applications in August 2021.



Table of Contents

Introduction +

Governance +

Environmental +

Social

Our 'S' Journey 53

Financial & Economic Inclusion 54

Economic Value 60

Social Inclusion 63

Volunteerism 65

Responsible Sourcing 66

Customer Experience 68

Product and Service Responsibility 71

Diversity and Inclusion 73

Talent Attraction, Development and Retention 76

Health and Well-being 80

2021 Awards and Recognition 83

2021 Performance Data 84

2021 SASB Index 106

Endnotes 113

Acronyms 115

Caution Regarding Forward-Looking Statements 116

Supporting Small Businesses

We understand the important role small businesses play in our local and national economies and we are committed to helping them grow and overcome financial challenges through our convenient banking model and effective business solutions. We know that businesses need funding now more than ever and TD is supporting our small business customers through traditional lending services, SBA loans and financial solutions tailored to meet their unique needs. TD Bank was honored to be ranked No. 1 in the 2021 **J.D. Power Small Business Banking Satisfaction Study** in the South Region. This is the 2nd time in the last 3 years that TD Bank ranked Highest in Customer Satisfaction with Small Business Banking in the South Region, which includes 16 states from Delaware to Texas as well as Washington, D.C.<sup>81</sup>

For many small businesses, particularly those owned by women and/or visible minorities/minorities, access to capital remains one of the greatest challenges.<sup>82</sup> To provide vital financial resources and capacity-building support to such businesses, TD Bank, through the TD Charitable Foundation, supported microfinance organizations such as the Black Business Capital Financing Corporation (BBCFC) and Grameen America in the U.S.

- As the recipient of a US\$100,000 grant from the TD Charitable Foundation, **BBCFC** supported more than 200 Black business owners in creating continuity plans and accessing capital at the height of the pandemic. In supporting these business owners, BBCFC helped with preparing PPP applications and creating business continuity and sustainability plans while managing an expanded loan pool to support those businesses ineligible for government relief. In working with these owners, BBCFC helped those businesses retain more than 1,300 jobs throughout the state of Florida.

- In late 2020, in collaboration with TD's Community Development team, **Grameen America** launched a virtual bilingual financial education series for its members in communities served by TD. This series has produced five monthly webinars using colleagues from TD who are fluent in both English and Spanish to address the needs of more than 180 Black and Latina women business owners in managing their personal and business finances. Further, after receiving US\$700,000 in support from TD for the Relief and Recovery fund, Grameen America has kept 1,779 businesses open with disbursements totalling US\$7.73 million.

We also helped connect women entrepreneurs in Canada to the resources and programs they need, including the resources and programs listed 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 of up to \$15,000 to support the startup and growth of their microbusinesses.
- **WEConnect International** helps women-owned businesses succeed in global value chains. WEConnect International members represent US\$1 trillion in annual purchasing power and are committed to supporting inclusive sourcing. TD partnered with WEConnect International on an exclusive program aimed at assisting women business owners in the U.S. to enter large supply chains by leveraging supplier diversity programs and certification.





Table of Contents

**Introduction** +

**Governance** +

**Environmental** +

**Social**

Our 'S' Journey	53
Financial & Economic Inclusion	54
<b>Economic Value</b>	<b>60</b>
Social Inclusion	63
Volunteerism	65
Responsible Sourcing	66
Customer Experience	68
Product and Service Responsibility	71
Diversity and Inclusion	73
Talent Attraction, Development and Retention	76
Health and Well-being	80

**2021 Awards and Recognition** 83

**2021 Performance Data** 84

**2021 SASB Index** 106

**Endnotes** 113

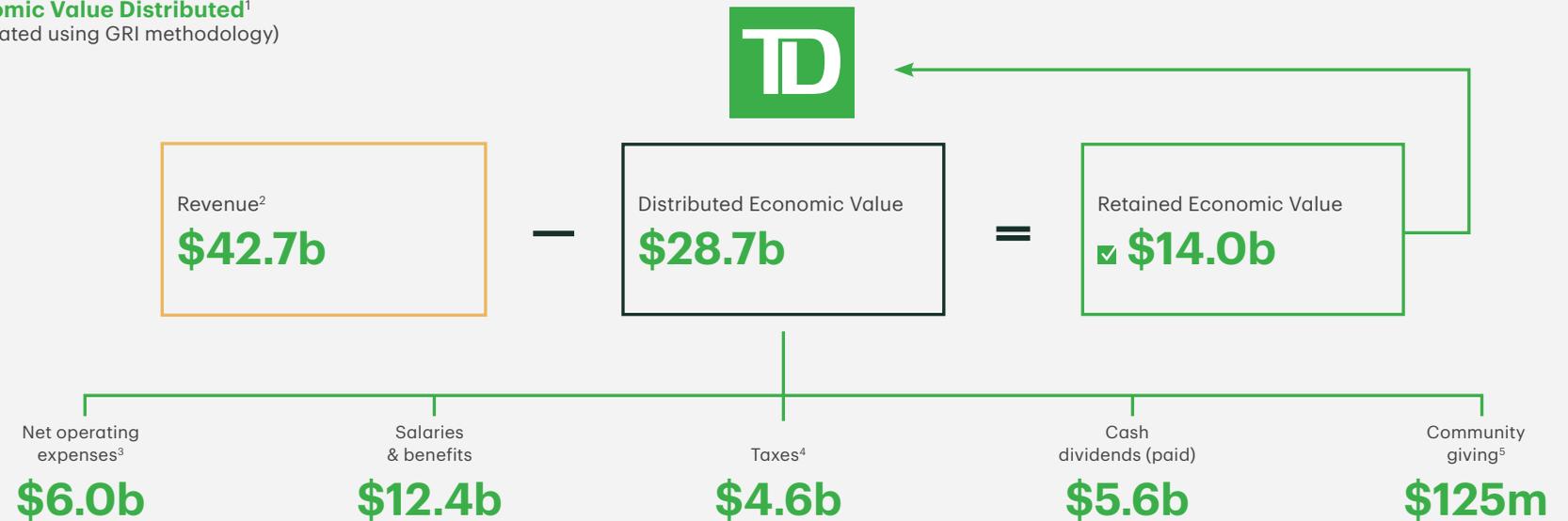
**Acronyms** 115

**Caution Regarding Forward-Looking Statements** 116

**TD Bank Announces US\$100 Million Equity Fund to Support Minority-Owned Small Businesses in the U.S.**

The pandemic has intensified the disparities that exist in Black and minority communities, particularly with respect to small businesses, which are the backbone of economies.<sup>83</sup> In June 2021, TD Bank announced it established a US\$100 million equity fund in support of minority-owned small businesses in the U.S., as part of a continued commitment to combat racial inequities and provide opportunities to underserved communities particularly hard hit by and recovering from the pandemic. The fund enables Specialized Small Business Investment Companies and Community Development Financial Institutions (CDFI) to provide small business loans and technical assistance, helping to provide access to resources to help businesses scale and adapt long term. Through the CDFIs, US\$25 million of the equity fund will be earmarked specifically for Black- and Latinx-owned small businesses.

**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 \$43.5 billion, economic value distributed would be \$35.2 billion, and economic value retained would be \$8.3 billion.

<sup>2</sup> See the Bank's 2021 Annual Report for more information.

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

<sup>4</sup> Includes sales taxes, municipal and property taxes, insurance premium taxes, business taxes and capital taxes. Excludes \$635 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, the U.K., Asia-Pacific, and Ireland.



Table of Contents

Introduction +

Governance +

Environmental +

Social

Our 'S' Journey 53

Financial & Economic Inclusion 54

Economic Value 60

Social Inclusion **63**

Volunteerism 65

Responsible Sourcing 66

Customer Experience 68

Product and Service Responsibility 71

Diversity and Inclusion 73

Talent Attraction, Development and Retention 76

Health and Well-being 80

2021 Awards and Recognition 83

2021 Performance Data 84

2021 SASB Index 106

Endnotes 113

Acronyms 115

Caution Regarding Forward-Looking Statements 116

# Social Inclusion

## Why it matters to TD

We strive to make a positive impact through our operations, and we are dedicated to supporting and helping expand the economic and social capacity of our communities. Healthy communities are built on effective community organizations and institutions, skilled people, strong civil and political engagement, local leadership and strong economies and are what make our communities sustainable in the long run. It is critical for companies to acknowledge and manage issues associated with inequality and racism. As a large financial institution with economic influence, TD recognizes that it has a role to play in fostering the communities in which it operates and in encouraging the advancement of a diverse and inclusive society.

## Our Approach

As a major financial institution, we are able to use our resources, expertise and core business operations to enable members of the community, particularly underserved or disadvantaged groups, to become economically empowered and resilient. The TD Ready Commitment, launched in 2018, is an enterprise-wide platform targeting 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, colleagues 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 on 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 giving 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.

#### 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 LMI individuals and families that increase economic capacity.

## Analyst Corner

Social Inclusion Data ([page 97](#))

[Apply for Funding Canada](#)

[Apply for Funding U.S.](#)

[TD Ready Commitment Report](#)



# \$125+ million<sup>1</sup>

total donations

<sup>1</sup> Figures are disclosed in CAD Equivalent. Fiscal year 2021 total donations decreased as a result of decrease in Average NIBT (calculated as a percentage of 2021 total donations, divided by Average NIBT for the years 2016–2020) and fluctuations in fx rates. Contribution rate remains consistent with prior years and we continue to be on pace to achieve our target of \$1 billion in total by 2030.





Table of Contents

**Introduction** +

**Governance** +

**Environmental** +

**Social**

Our 'S' Journey	53
Financial & Economic Inclusion	54
Economic Value	60
<b>Social Inclusion</b>	<b>63</b>
Volunteerism	65
Responsible Sourcing	66
Customer Experience	68
Product and Service Responsibility	71
Diversity and Inclusion	73
Talent Attraction, Development and Retention	76
Health and Well-being	80

**2021 Awards and Recognition** 83

**2021 Performance Data** 84

**2021 SASB Index** 106

**Endnotes** 113

**Acronyms** 115

**Caution Regarding Forward-Looking Statements** 116

**Affordable Housing**

The ongoing impact of COVID-19 continues to disproportionately hurt the most vulnerable populations,<sup>84</sup> particularly those who rent, with over 40 million renters in the U.S. at risk of losing their homes.<sup>85</sup> and renters in Canada, particularly from lower income neighbourhoods, growing concerned about evictions.<sup>86</sup> TD is committed to helping to address this urgent problem by mobilizing investment and collaboration.

**Through Philanthropy**

- In Canada, we are working with WoodGreen, one of the largest non-municipal providers of affordable housing in Toronto who have developed and managed affordable housing properties for decades. We are supporting the **Difference Makers Campaign** over the next four years to expand affordable housing, helping to scale a program called Homeward Bound for homeless single mothers and their children.
- 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. LISC used US\$450,000 from the TD Charitable Foundation to support affordable housing preservation in 11 cities where we operate from New England to Florida.
- In response to the COVID-19 pandemic, LISC expanded its technical assistance to include guiding developers through small business relief opportunities including PPP loans and grants from non-profit and government sources. **Support from the TD Charitable Foundation helped LISC invest US\$91.9 million and leveraged US\$420 million for community development.**
- In response to increased demand on non-profit affordable housing staff, the 2021 annual **Housing for Everyone competition** in the U.S. will provide US\$5.8 million to 33 organizations in need of capacity-building support to increase and expand resident services. Through this grant competition, we have awarded over US\$37 million to support approximately 500 affordable housing initiatives since its inception in 2005.

**Through Our Business – Shared Value**

- In 2021, TD Business Bank launched a **National Affordable Housing Strategy** as well as a specific **Indigenous Affordable Housing Strategy**. TD's National Real Estate Group, together with the Commercial Mortgage Group, have taken on the mandate to increase our involvement in the construction, development and term financing of affordable housing projects, which involves taking a targeted market strategy approach to pursuing these opportunities.
- 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 complex** in Paterson, New Jersey, with a US\$25 million financing package that includes a US\$13.2 million construction loan and US\$12 million in tax-credit equity. The building is sponsored by two local non-profit agencies and St. Joseph's University Medical Center. This is the first project in New Jersey, that will pair health services with housing in an innovative new model that will serve residents who are frequent users of hospital services.
- Through **TD Helps**, we have assisted customers in Canada who were facing financial hardship to stay in their current homes through Mortgage Refinance and Deferrals, Amortization Extensions and Interest only payments totalling \$22.77 million in fiscal 2021.

To focus public and private attention on the Toronto region's growing unaffordable housing problem, TD Wealth sponsors the research and development of a series of reports 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\*](#) was released. In August 2021, [\*The Cost of Inaction\*](#) was released, which details the economic and social factors implicated in the rising costs associated with a lack of affordable housing for the region's essential workers such as nurses, cashiers, shelter staff, custodians, transit operators and restaurant workers.





Table of Contents

**Introduction** +

**Governance** +

**Environmental** +

**Social**

Our 'S' Journey 53

Financial & Economic Inclusion 54

Economic Value 60

Social Inclusion 63

**Volunteerism 65**

Responsible Sourcing 66

Customer Experience 68

Product and Service Responsibility 71

Diversity and Inclusion 73

Talent Attraction, Development and Retention 76

Health and Well-being 80

**2021 Awards and Recognition 83**

**2021 Performance Data 84**

**2021 SASB Index 106**

**Endnotes 113**

**Acronyms 115**

**Caution Regarding Forward-Looking Statements 116**

# Volunteerism



## Making a Difference Through Volunteering

In 2021, as the majority of our colleagues continued working remotely because of the pandemic, we continued to offer an array of virtual and contact-free volunteer opportunities through the TD Ready Commitment Network, our community engagement hub. These opportunities included virtual volunteering and community leadership, colleague fundraising initiatives, virtual group experiences and online learning to help colleagues connect to their local communities during this exceptional time of need.

- Our colleagues have volunteered over 3,660 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 colleagues who volunteer their time and skills to help the organizations draw new insights and grow their community impact with data.

The program, which was launched in 2018, has engaged over 455 volunteers and completed 29 projects in seven cities in Canada and the U.S. In 2021, the initiative also launched educational webinars to share data best practices, data strategy and data visualization knowledge with non-profits; nine sessions were delivered to dozens of non-profit colleagues.

- The **TD Pro Bono Virtual Volunteer Marathon** engages TD colleagues across TD's North American footprint to help eligible non-profit and charitable organizations address critical challenges focused on building capacity in areas such as finance, technology, data analysis, marketing and communications, strategy, process improvement, and human resources. The pilot program was held virtually in November 2021. Over the course of two half-day volunteer consulting sessions, 54 TD colleagues volunteered their time to work with 10 organizations from across the U.S. and Canada.

Four to six TD colleagues were matched with an organization based on their skill set, in order that they might develop a deliverable or set of recommendations for the organization.

- We invest time and money in support of financial education programs wherever we do business in our North American footprint. And we were able to continue offering programs as community organizations pivoted to offer virtual options. Our colleague volunteers shared their expertise in virtual financial education classes geared toward adults, small businesses, youth, and prospective homebuyers. In Canada, we proudly support the **Money Matters** program – 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.

**74,000+**<sup>1</sup>  
volunteer hours



<sup>1</sup> As a result of the COVID-19 pandemic in 2020 and 2021, we had to meaningfully curtail in-person volunteer opportunities to help ensure the safety of colleagues and the communities we serve, including at the request of organizations who experienced reduced capacity to accept volunteers for operational and safety reasons. 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 are focused on improving our volunteer hours in 2022.



Table of Contents

**Introduction** +

**Governance** +

**Environmental** +

**Social**

Our 'S' Journey 53

Financial & Economic Inclusion 54

Economic Value 60

Social Inclusion 63

Volunteerism 65

**Responsible Sourcing 66**

Customer Experience 68

Product and Service Responsibility 71

Diversity and Inclusion 73

Talent Attraction, Development and Retention 76

Health and Well-being 80

**2021 Awards and Recognition 83**

**2021 Performance Data 84**

**2021 SASB Index 106**

**Endnotes 113**

**Acronyms 115**

**Caution Regarding Forward-Looking Statements 116**

# Responsible Sourcing

## Why it Matters to TD

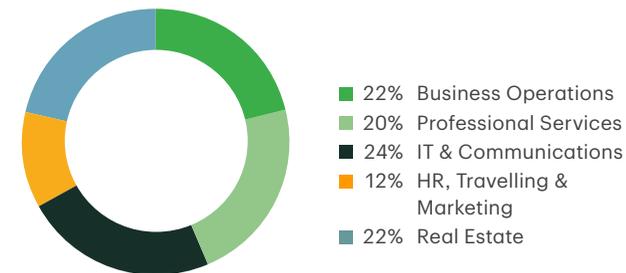
As a major purchaser, TD is committed to using our influence to drive strong ethical, social and environmental performance across our supply chains. TD's Strategic Sourcing Group works to ensure that we have a responsible and diverse network of suppliers who deliver high-quality and appropriate goods 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 2021

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

We spent approximately \$7.6 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 spending breakdown for TD's supplier base in 2021.

### 2021 Spending on TD's Sourcing



- When registering suppliers, we request they confirm that they operate in accordance with the expectations described in our **Supplier Code of Conduct**, including protection of human rights. As part of our responsible sourcing program, the Bank may apply enhanced due diligence on parts of our supply chain that are most relevant to ESG issues.
- In 2021, 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 included a review of health and safety, social (human and labour rights) and environmental aspects of the manufacturing process. Our Responsible Sourcing Due Diligence Guidelines for TD-Branded Merchandise Vendors came into effect in June 2021. It outlines the requirement to have third-party audits for social issues, such as forced labour for any promotional products being supplied to TD.

- We are working to integrate ESG considerations into our end-to-end sourcing processes, including developing strategies for enhanced ESG due diligence on select third parties; for example, Global Security & Investigations Canada, TD's team responsible for managing physical security, is developing a new initiative to work with their vendors to increase awareness about, and emphasize the importance of, diversity and inclusion. Work will continue in 2022 to expand this initiative.
- The **TD Carbon Supply Chain Program**, now in its sixth year, aims to engage suppliers to report their carbon emissions and to phase in reductions over time. In 2021, we asked 216 suppliers to respond to the program, with 69% of the respondents reporting on their carbon emissions.
- In 2021, we also updated the TD Vendor Management Policy to include content related to the role of vendor managers in supporting the Bank's ESG initiatives for third parties and embedding ESG considerations in the Bank's sourcing and vendor management practices.
- 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

[Supplier Code of Conduct](#)

[Prospective Supplier Website](#)





**Table of Contents**

**Introduction** +

**Governance** +

**Environmental** +

**Social**

Our 'S' Journey	53
Financial & Economic Inclusion	54
Economic Value	60
Social Inclusion	63
Volunteerism	65
<b>Responsible Sourcing</b>	<b>66</b>
Customer Experience	68
Product and Service Responsibility	71
Diversity and Inclusion	73
Talent Attraction, Development and Retention	76
Health and Well-being	80

**2021 Awards and Recognition** 83

**2021 Performance Data** 84

**2021 SASB Index** 106

**Endnotes** 113

**Acronyms** 115

**Caution Regarding Forward-Looking Statements** 116

**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, Black, Indigenous Peoples and other minorities, the LGBTQ2+ community, people with disabilities, veterans and other diverse suppliers in our procurement selection process.<sup>87</sup> We are a member of 12 diverse supplier organizations in North America that certify a supplier's diversity credentials.

In 2021:

- To reflect this commitment, we published our [CPO Statement on Supplier Diversity](#), which recognizes diversity and inclusion as both core TD values and a business imperative.
- We partnered with the Canadian Aboriginal and Minority Supplier Council (CAMSC) and the Tent Partnership for Refugees to launch a new certification for refugee-owned businesses in Canada. The initiative will also provide training for refugee-owned businesses to successfully engage corporate or government buyers that are looking to diversify their supplier base and allow corporations to search and filter for refugee-owned businesses on CAMSC's online portal.

- We also partnered with a supplier certified by the Inclusive Workplace and Supply Council of Canada to help keep customers and colleagues safe during the pandemic. In 2021, we sourced disposable face masks from Adaptability Canada for customers in Canadian branches who did not have a mask of their own. In addition, in 2020, we purchased personal protective equipment for colleagues, such as face shields, also from Adaptability Canada.
- In 2021, TD included diverse-owned broker-dealers in all of its U.S. dollar debt issuances to promote supplier diversity and direct revenue to diverse-owned firms.
- In 2021, 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>88</sup> This Tier 2 reporting informs our overall spending decisions and makes clear to our primary suppliers that supplier diversity is important to us.

**2021 Diversity Spending by Category**

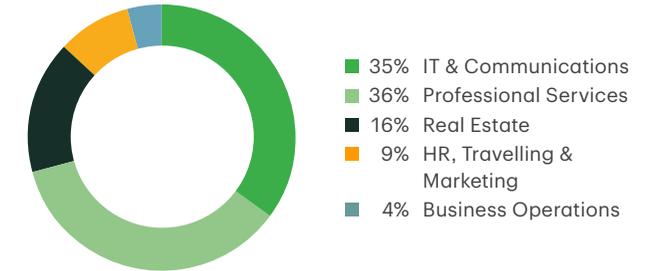




Table of Contents

**Introduction** +

**Governance** +

**Environmental** +

**Social**

Our 'S' Journey 53

Financial & Economic Inclusion 54

Economic Value 60

Social Inclusion 63

Volunteerism 65

Responsible Sourcing 66

**Customer Experience 68**

Product and Service Responsibility 71

Diversity and Inclusion 73

Talent Attraction, Development and Retention 76

Health and Well-being 80

**2021 Awards and Recognition 83**

**2021 Performance Data 84**

**2021 SASB Index 106**

**Endnotes 113**

**Acronyms 115**

**Caution Regarding Forward-Looking Statements 116**

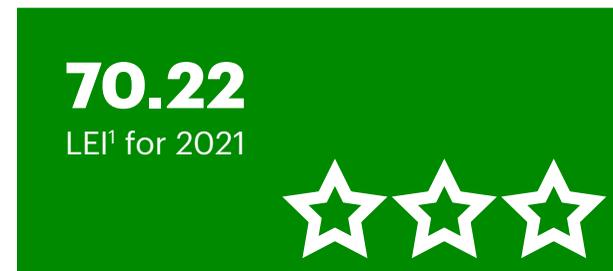
# Customer Experience

## Why it matters to TD

We are committed to delivering legendary customer experiences across all our customer touchpoints to deliver personal and connected interactions with our customers, which is particularly important in challenging times, such as during the COVID-19 pandemic. COVID-19 shifted customer expectations and dramatically altered how they engaged with their bank, with millions of customers turning to digital banking. TD is focused on continuing to innovate to meet and exceed evolving customer expectations. As we deal with the longer-term impacts of the pandemic, we know quick and efficient responses to customer inquiries continue to be imperative.

## Our Approach

TD uses its Legendary Experience Index (LEI) to measure its customer experience and drive insights to improve the experience in moments that matter most to customers. Many customers consider the experience they receive from a company to be just as important as the products and services provided.<sup>89</sup> Because the pandemic has changed customers' expectations and financial behaviours, TD continues to make significant investments in technology infrastructure, digital tools and platforms, artificial intelligence (AI) and other new technologies and solutions with a goal of exceeding market and customer needs.



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

## Performance in 2021

### Delivering Legendary Customer Service

We leverage a best-in-class customer experience platform to contact customers who have had a retail channel (branch, phone, digital) experience within 24 to 48 hours and quarterly for our relationship businesses (Business Banking, TD Wealth, TD Insurance) to seek feedback regarding their experiences with TD and to assess how well we are delivering on our brand promise. LEI results are shared in real time within TD to improve performance, and customer feedback has a direct tie to a majority of Bank colleagues' variable compensation. In 2021, nearly one million customers across North America provided feedback through this survey measurement program. Despite the continued disruption of the global pandemic, this year, we exceeded our LEI target by over three points. (See data on [page 99](#)).

## Analyst Corner

Customer Experience Data ([page 99](#))

[To Our Customers](#)

[Problem Resolution Process](#)

[Codes of Conduct and Public Commitments](#)

[Senior Customer Complaints Office \(SCCO\)](#)  
(formerly TD's Office of the Ombudsman)





Table of Contents

Introduction +

Governance +

Environmental +

Social

Our 'S' Journey 53

Financial & Economic Inclusion 54

Economic Value 60

Social Inclusion 63

Volunteerism 65

Responsible Sourcing 66

Customer Experience 68

Product and Service Responsibility 71

Diversity and Inclusion 73

Talent Attraction, Development and Retention 76

Health and Well-being 80

2021 Awards and Recognition 83

2021 Performance Data 84

2021 SASB Index 106

Endnotes 113

Acronyms 115

Caution Regarding Forward-Looking Statements 116

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 and enhance the advice we're providing, we 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. In 2021, we also integrated customer experience insights from other feedback sources (e.g., Google reviews, social media listening) with our LEI feedback to create a more holistic understanding of the customer experience. In 2022, we will roll out TD's first enterprise cross-business relationship survey as a means of understanding and measuring the overall relationships customers have with TD.

Resolving Customer Complaints

Our goal is to provide a seamless banking experience, but when customers have a concern, we focus on resolving the issue at first point of contact and with empathy, efficiency and thoughtful solutions. In Canada, if a customer feels that their concern is not resolved at the first point of contact, they can escalate the matter to TD Customer Care for further review and resolution. Over 80% of customer complaints escalated to TD Customer Care are resolved within one business day after successful contact with the customer.

With more at stake for customers during a global pandemic, the volume of complaint escalations to the **Senior Customer Complaints Office (SCCO)**, formerly known as TD's Office of the Ombudsman, increased 17% during the year, however, there was a 57% increase in closed investigations over the prior year. The top three complaints received in 2021 were related to home and auto claim disputes, possible fraud (both scams and claims) and mortgage prepayment charges. In Canada, significant efforts are underway to continue enhancing the complaint review and escalation process for customers. Complaints are an opportunity to learn and improve and we are focused on ensuring we have a holistic view of customer complaints across TD. These enhancements will help us meet the upcoming changes to the *Bank Act (Canada)* that are part of the Consumer Protection Framework and will also help address the results of a recent industry review.<sup>90</sup>

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

In 2021, there was a 34% increase in total complaints reported by the Chairman's Service Center,<sup>91</sup> compared to an 8% decrease the previous year. Over this past year, we significantly increased our efforts to expand our program and document complaints resolved at the first point of contact. Expanding the scope of complaints contributed to the increase in complaints. Primary drivers of complaints in 2021 were customer service, followed by fees and credit reporting. In the U.S., efforts are under way to enhance our program and leverage complaint data as opportunities to identify customer and industry trends. Building on the foundation of our #BeLegendary program<sup>92</sup> we intend to strengthen customer relationships as we strive to be leaders in convenience, service and advice and guidance.

Active Online and Mobile Customers (in millions)

15.3m  
online and mobile customers in 2021

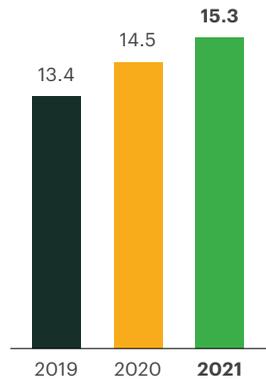




Table of Contents

**Introduction** +

**Governance** +

**Environmental** +

**Social**

Our 'S' Journey	53
Financial & Economic Inclusion	54
Economic Value	60
Social Inclusion	63
Volunteerism	65
Responsible Sourcing	66
<b>Customer Experience</b>	<b>68</b>
Product and Service Responsibility	71
Diversity and Inclusion	73
Talent Attraction, Development and Retention	76
Health and Well-being	80

**2021 Awards and Recognition** 83

**2021 Performance Data** 84

**2021 SASB Index** 106

**Endnotes** 113

**Acronyms** 115

**Caution Regarding Forward-Looking Statements** 116

**Driving Legendary Customer Experiences Through Innovation**

In 2021, we aimed to deliver exceptional customer experiences and drive high levels of engagement through the following initiatives targeted toward both customary and specialized services that we provide to our customers:<sup>93</sup>

<b>COVID-19</b>	<ul style="list-style-type: none"> <li>In 2021, TD Bank was recognized with an award for the successful and quick development and launch of the <b>virtual assistant</b> within the TD Bank mobile app in 2020 to help customers get the answers they need quickly.<sup>94</sup></li> <li>Throughout the pandemic, it has become difficult for individuals to track their income and expenditures. To address this challenge, Layer 6 (TD's artificial intelligence research lab) developed a low balance prediction model that helps TD's Canadian customers prioritize their spending through the TD mobile app in order to improve their financial wellness.</li> </ul>
<b>Customer Access and Experience</b>	<ul style="list-style-type: none"> <li><b>TD Canada Trust EasyWeb Secure Chat</b> uses asynchronous web messaging, which enables customers to start, pause and continue their conversation with the Bank at any point. TD was the first Canadian bank to launch this type of messaging.</li> <li>We also <b>enhanced our technology to enable customers to open accounts, loans and investments virtually</b>, allowing them to complete transactions without having to leave the comfort of their home.</li> <li>TD Insurance (TDI) continues its digital transformation. For example, TDI customers can support from the <b>TDI Virtual Assistant</b> on insurance-related inquiries and can <b>capture and submit images</b> (e.g., damaged vehicles) via the TDI mobile app.</li> </ul>
<b>Financial Advice, Planning and Security</b>	<ul style="list-style-type: none"> <li>We added a <b>Credit Protection (CP) Assessment Tool to Discovery Self Serve</b><sup>95</sup> to provide existing and new customers with a cash flow assessment, eligible CP coverage options and a premium quote. We also introduced <b>Protected Borrowing</b> to the Discovery platform, meaning customers can receive advice to fulfil home borrowing needs.</li> <li>TD Canada Trust enabled <b>remote investment conversations</b> for customers needing advice and <b>enhanced the TD Ready Advice Centre</b> in Canada, where colleagues proactively engage customers and offer advice, particularly around borrowing needs.</li> <li>We launched TD Bank's first-ever <b>series of online articles and videos on financial education for U.S. customers</b>. Colleagues shared tips for saving and budgeting via an employee video series, and we created 11 new search-engine-optimized articles on topics including starting a budget and saving for emergencies.</li> <li>Through the <b>TD MySpend app</b>, customers can now manage their cash flow across both their debit and credit products in order to take control of their savings and spending. In 2021, there were 3.2 million MySpend app users.</li> </ul>
<b>Innovation</b>	<ul style="list-style-type: none"> <li>In the U.S., when the pandemic required branch closures, we provided over 11,000 colleagues with the ability to <b>send personalized assistance and advice</b> directly to our customers' phones.</li> <li>To help ensure we are creating inclusive and equitable solutions for our customers that consider their unique needs and experiences, TD developed the <b>Equity Resource Hub</b>, a library of resources available to TD technology teams to help them apply an equity lens to the Bank's early-stage innovation research and concept developments. We are exploring expanded use of the hub across the enterprise.</li> </ul>
<b>Security</b>	<ul style="list-style-type: none"> <li>TD Bank Group and Envestnet   Yodlee announced a <b>data access agreement</b> to address the needs of an increasingly digital customer base. This North American agreement signifies the alignment between TD and Envestnet   Yodlee about protocols to provide for the safe and secure access to TD customer financial data when supporting customer requests to share with the financial wellness apps of their choice.</li> <li>TD Bank has joined the <b>Akoya Data Access Network</b> to eliminate the need for our customers to share their banking information, including passwords, directly with third parties connected to Akoya, providing a way to share financial data with fintech apps.</li> </ul>



Table of Contents

Introduction +

Governance +

Environmental +

Social

Our 'S' Journey 53

Financial & Economic Inclusion 54

Economic Value 60

Social Inclusion 63

Volunteerism 65

Responsible Sourcing 66

Customer Experience 68

Product and Service Responsibility 71

Diversity and Inclusion 73

Talent Attraction, Development and Retention 76

Health and Well-being 80

2021 Awards and Recognition 83

2021 Performance Data 84

2021 SASB Index 106

Endnotes 113

Acronyms 115

Caution Regarding Forward-Looking Statements 116

# Product and Service Responsibility

Customers expect that the products and services we provide will enrich their lives, address their needs and support them in achieving their financial goals. We provide a wide range of product and service options to our customers while maintaining responsible sales practices so our customers can have confidence in their banking choices and long-term financial security. The enterprise-wide 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 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. Throughout the product life cycle, we work to ensure our assessment, review and approval processes account for features, risks, charges and benefits associated with the product or service and consumer-facing materials, such as marketing materials.

## Performance in 2021

### Continued Support for Customers During COVID-19

Launched internally in 2020, the **TD Ready Advice Centre** has connected with over 88,000 customers since July 2020 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.

As doses of the COVID-19 vaccine became available and more members of our communities gained broader protection, we saw many governments and health authorities re-assess restrictions and businesses start to reopen. As this gradual reopening continues to take place, we remain committed to doing our part to prevent the spread of COVID-19 and keep our customers and colleagues safe and healthy in our branches. We introduced health and safety measures critical in maintaining physical distance while still providing essential services. We continue to help protect our customers by focusing on promoting and helping our customers learn about TD's digital banking solutions, thereby reducing the need to come into a physical branch. We also increased the use of electronic signatures to allow customers to sign documents remotely and continued to use a digital video platform so customers could sign in remotely and receive virtual advice from TD representatives.

### 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 colleagues and a Clear Language Basics course to train our colleagues

who write customer documentation. In fiscal 2022, we are continuing our clear language journey by using these principles to enhance our personal lending loan agreements and line of credit and credit card agreements.

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

**Future Ready** is Canadian Branch Banking's approach to elevating advice, increasing customer and colleague confidence and meeting more customer needs. Future Ready has evolved from a strategy launched in 2018 into the framework that guides how we do business. Some of the programs in 2021 that highlight our commitment to elevating colleague confidence:

- **Coach Ready** is our consistent and simplified approach to coaching. This coaching platform has registered over 400,000 coaching discussions since its launch and allows leaders and colleagues to collaborate virtually.
- **Unconscious Bias Guides** for colleagues and leaders to continue the conversation and deepen understanding of how to address unconscious biases that may influence interactions with customers and colleagues.
- **Work-From-Home Enablement Tools**, such as TD e.Sign and video calling capabilities with customers, enabled over 8,000 retail colleagues to work remotely and helped maintain customer confidence and meet customer needs during a pandemic.

TD Bank introduced the **#BeLegendary** and **Small Business #BeLegendary** programs in the U.S. in 2019 and 2020, respectively, to promote excellence and operationalize the right behaviours to consistently meet the needs of our customers. In 2021, we rolled out the **Wealth #BeLegendary program**, which aims to provide consistent customer experiences for our TD Wealth customers and helps us retain and expand our wealth customer relationships.

## Analyst Corner



Product and Service Responsibility Data ([page 100](#))

[To Our Customers](#)

[Codes of Conduct and Public Commitments](#)

[Understanding Tied Selling](#)

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

[Our Privacy Commitments](#)

[2021 Public Accountability Statement](#) – Seniors Code (page 17)



**Table of Contents**

**Introduction** +

**Governance** +

**Environmental** +

**Social**

Our 'S' Journey	53
Financial & Economic Inclusion	54
Economic Value	60
Social Inclusion	63
Volunteerism	65
Responsible Sourcing	66
Customer Experience	68
<b>Product and Service Responsibility</b>	<b>71</b>
Diversity and Inclusion	73
Talent Attraction, Development and Retention	76
Health and Well-being	80

**2021 Awards and Recognition** 83

**2021 Performance Data** 84

**2021 SASB Index** 106

**Endnotes** 113

**Acronyms** 115

**Caution Regarding Forward-Looking Statements** 116

**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.
- Colleagues who interact with customers receive training on product features, Know Your Customer, Know Your Product, Know Your Client and AML policies, and compliance with legal and regulatory requirements.
- TD implemented new conflicts of interest controls and enhanced client disclosures in 2021 and is in the process of implementing changes that will meet the enhanced obligations under the second phase of the Client-Focused Reforms<sup>96</sup> (in force as of December 31, 2021).
- Branch and phone-based colleagues are trained to use discussion tools in their conversations with customers. These tools prompt colleagues to ask the customers' questions to help determine the customers' financial needs and suggest potential solutions to meet them.

In 2021:

- We continued to review and enhance our Performance Management Framework so that our colleagues are recognized and rewarded for doing the right thing for our customers.
- The Corporate Governance Committee (CGC) received 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, provided regular reporting on the program to the Board.

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 conduct.

**Protecting Our Customers**

TD is actively preparing for the changes required to address Bill C-86, the federal Financial Consumer Protection Framework, which will take effect in June 2022. The Bill aims to promote responsible conduct across Canadian banks 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<sup>72</sup> now and in the future by doing the following:

**Securing Accounts**

- 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.
- We call and/or send text messages through TD Fraud Alerts to notify customers of suspicious activity made with their TD debit and/or credit cards for their personal accounts.

**Mitigating Consumer Risk**

- TD's Fair and Responsible Banking Policy supports our mission of mitigating the risk of unlawful discrimination and unfair and deceptive practices in the U.S.
- It focuses on key areas where we monitor for fair treatment of our customers: developing and delivering products and services; marketing and advertising; accepting applications; operations; the use of models and third-party service providers; the loan decision-making process, pricing process, servicing and loss mitigation; compliance with laws that prohibit discrimination, redlining<sup>97</sup> and reverse redlining.<sup>98</sup>
- It adopts a Complaint Policy that enables TD to address our customer pain points and improve our legendary customer experience.

**Helping Seniors**

We are aware that seniors often have unique financial needs, and TD has created an external web page to provide seniors in Canada with comprehensive resources to help them with these needs. Some of the ways in which we are helping seniors are listed below:

- We launched a financial harm escalation process to help our front-line staff better protect our customers from financial abuse and exploitation. Since the financial harm escalation process was launched in 2021, we received/reviewed over 240 escalations. The majority of the cases were linked to scams, power of attorney abuse, and general financial abuse. Cases are generally complex, and the average age of the affected customers is 73 years.
- TD continues to meet the Code of Conduct for the Delivery of Banking Services to Seniors that guides Canadian banks in their delivery of banking products and services to Canada's seniors. Our practices reflect the principles outlined in this code and our ability to address the unique financial needs and other issues affecting seniors.<sup>99</sup>

**Preparing for the Future**

- We offer multiple products, services and arrangements, including facilitating the Canada Learning Bond (CLB), to help 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.
- 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.



Table of Contents

**Introduction** +

**Governance** +

**Environmental** +

**Social**

Our 'S' Journey 53

Financial & Economic Inclusion 54

Economic Value 60

Social Inclusion 63

Volunteerism 65

Responsible Sourcing 66

Customer Experience 68

Product and Service Responsibility 71

**Diversity and Inclusion 73**

Talent Attraction, Development and Retention 76

Health and Well-being 80

**2021 Awards and Recognition 83**

**2021 Performance Data 84**

**2021 SASB Index 106**

**Endnotes 113**

**Acronyms 115**

**Caution Regarding Forward-Looking Statements 116**

# Diversity and Inclusion

## Why it matters to TD

We strongly believe that in order to successfully serve our customers, TD needs to reflect the diversity of our communities and foster an inclusive corporate culture. Diversity and inclusion have been a strategic priority for TD for over a decade. The disproportionate impacts of the pandemic, as well as the findings of unmarked graves of youth from Indigenous communities at former residential schools across Canada, and acts of hate towards Black and Asian communities, have deeply affected our customers, colleagues and the communities we serve. TD stands against all forms of racism and hate. These and other events are stark reminders that there is more work ahead and reinforces D&I as a core value and business imperative for us. Organizations that take a systemic approach to strengthen and embed diversity and inclusion within their business-as-usual processes are outperforming their peers financially.<sup>100</sup> Future leaders will be known not only for cultivating an inclusive workplace, but also for providing inclusive customer experiences and being advocates for creating an inclusive society.<sup>101</sup>

## Our Approach

At TD, we support a culture of listening to and learning from our customers and colleagues about how we can continue our diversity and inclusion (D&I) journey. We look to create safe spaces for our colleagues to have frank and open discussions and brainstorm ideas that enrich our diverse and inclusive work environment. Since 2005, D&I has been embedded in TD's business strategy and framework, and we've made progress in advancing D&I across TD. All TD lines of business have documented strategies and plans that align with and support the enterprise D&I strategy. While D&I represents core values and our strategy focuses on Women in Leadership, Black Experiences, Visible Minorities/Minorities, Indigenous Peoples, People with Disabilities (PWD)/Individuals with Diverse Abilities (IwDA), LGBTQ2+ people and Veterans pillars, TD's purpose is to enrich the lives of all our customers, colleagues and communities.

We added a Black Experiences pillar to our D&I strategy in 2020 to provide greater focus on Black talent representation and support for Black customers

and colleagues. We are committed to increasing the representation of Black, Indigenous Peoples and other minority professionals within TD. We monitor representation of these pillars on a regular basis and focus on ensuring our workforce continues to represent the diverse communities we serve.

## Building a Diverse and Inclusive Organization

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

This year, with the continued impact of COVID-19 and social unrest, there is a heightened focus not just on diversity at TD, but also on advancing our culture of inclusion.

- In 2021, we updated our Inclusion and Diversity learning modules and launched the new **Diversity and Inclusion in the Workplace** course to all colleagues globally (mandatory for new employees) to help build foundational knowledge about D&I at TD that advances our culture of care. It reinforces TD's commitment to diversity, examines concepts of bias and being an ally, and aids in identifying everyone's role in creating an inclusive environment.
- Through TD Thrive, our learning platform, we provide a **Diversity and Inclusion – Lead Yourself – Thrive pathway**, that provides colleagues 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 third annual global D&I Summit – **Deeper Connections** – invited colleagues from across the organization to participate in a virtual D&I conversation over four days with external and internal speakers, including themes of being an ally and intersectionality. The event, attended by approximately 8,600 colleagues in 2021, underscored our strong commitment to D&I, with colleagues, including our Bank President and CEO and several members of the SET, sharing their life experiences and providing insights to further strengthen inclusion at TD.

## Analyst Corner

Diversity and Inclusion Data ([page 100](#))

[Code of Conduct and Ethics](#)

[Our Commitment to Diversity](#)

[Employment Equity Report \(Canada only\)](#)

[TD and Indigenous Communities in Canada](#)





Table of Contents

Introduction +

Governance +

Environmental +

Social

Our 'S' Journey 53

Financial & Economic Inclusion 54

Economic Value 60

Social Inclusion 63

Volunteerism 65

Responsible Sourcing 66

Customer Experience 68

Product and Service Responsibility 71

Diversity and Inclusion 73

Talent Attraction, Development and Retention 76

Health and Well-being 80

2021 Awards and Recognition 83

2021 Performance Data 84

2021 SASB Index 106

Endnotes 113

Acronyms 115

Caution Regarding Forward-Looking Statements 116

Performance in 2021

Supporting Diverse Colleagues Through Mentorship, Training and Education, and Colleague Events

Diverse Colleagues	Selected Initiatives
<b>Women</b>	<ul style="list-style-type: none"> <li>TD Insurance and TD Wealth partnered with a globally recognized business school, the Rotman School of Management at the University of Toronto, to deliver a <b>virtual program for TD colleagues to build a stronger Women in Leadership talent pipeline</b> for future senior executive roles.</li> </ul>
<b>LGBTQ2+ Colleagues</b>	<ul style="list-style-type: none"> <li>The <b>LGBTQ2+ Welcome Buddies</b> program was launched, to connect new hires with LGBTQ2+ colleagues to support their onboarding experience and to connect them with the LGBTQ2+ community at TD.</li> <li>The <b>LGBTQ2+ virtual speed mentoring</b> was launched, where LGBTQ2+ executives provide career development guidance to LGBTQ2+ colleagues from across TD.</li> </ul>
<b>Visible Minority (Canada)/ Minority (U.S.) Colleagues</b>	<ul style="list-style-type: none"> <li><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. In 2021, we converted the program into a virtual offering and launched a project in which participants were grouped and paired with Visible Leadership program alumni mentors.</li> <li>We hosted an <b>anti-Asian racism event</b> designed to support our colleagues and create a safe space for Asian colleagues and allies across the organization. More than 2,000 colleagues participated in the event. Senior leaders and colleagues shared personal feelings about anti-Asian hate, violence in the Asian community and how allies can support their communities.</li> </ul>
<b>Black Colleagues</b>	<ul style="list-style-type: none"> <li>We introduced an education series titled <b>Banking While Black</b>, which highlights the experiences of Black community members with their financial institution and focuses on how we can continue working to achieve equity and inclusion inside the walls of TD and beyond.</li> </ul>
<b>Indigenous Peoples</b>	<ul style="list-style-type: none"> <li>We launched an <b>enterprise-wide mentorship program in 2021 for colleagues from Indigenous communities</b> to accelerate career development. The program creates a safe space for colleagues from the Indigenous community to engage with mentors/mentees in authentic dialogue, which helps to bring the voices of Indigenous Peoples to TD.</li> <li>Hosted an enterprise event to honour the <b>National Day for Truth and Reconciliation</b>, also called Orange Shirt Day. Our <b>Indigenous Cultural Awareness Training</b>, required for colleagues in Canada, helps increase colleagues' foundational understanding and enhance their confidence in supporting colleagues and customers from Indigenous communities and understanding of TD's commitment to Truth and Reconciliation.<sup>102</sup></li> </ul>



**Doris Bear**  
Vice President, Indigenous Banking

"Education is key to building a diverse and inclusive organization. At TD, we are doing our part to educate our colleagues, customers and community on the history of Indigenous Peoples in Canada and other diverse groups; and hire talent that is reflective of the diverse community that we serve."

**39.1%**  
Percentage of full-time women in STEM positions

**31.6%**  
Percentage of full-time women in technology positions





**Table of Contents**

**Introduction** +

**Governance** +

**Environmental** +

**Social**

Our 'S' Journey	53
Financial & Economic Inclusion	54
Economic Value	60
Social Inclusion	63
Volunteerism	65
Responsible Sourcing	66
Customer Experience	68
Product and Service Responsibility	71
<b>Diversity and Inclusion</b>	<b>73</b>
Talent Attraction, Development and Retention	76
Health and Well-being	80

**2021 Awards and Recognition** 83

**2021 Performance Data** 84

**2021 SASB Index** 106

**Endnotes** 113

**Acronyms** 115

**Caution Regarding Forward-Looking Statements** 116

**Diverse Colleagues**

**Selected Initiatives**

**Persons with Disabilities (PWD/ Individuals with Diverse Abilities (IwDA))**

- TD hosted several enterprise events celebrating diverse abilities. We hosted our second annual colleague **Disability Summit** with messages of how each person can make a positive change toward inclusion. We also observed **Autism Awareness Month** and **International Day of People with Disabilities** and we launched our first **Epilepsy Awareness Month** with internal events and customer-facing awareness initiatives.
- We launched an intersectional cohort for the **Enabling Leaders program**, which is a leadership development program for U.S. and Canadian colleagues who identify as having a disability. The program is designed to empower participants to hone their leadership capability to achieve their full potential. In 2021, members of Individuals with Diverse Abilities partnered with the Veterans Area of Focus to make up a cohort.
- Our TD Thrive learning pathway focused on accessibility aims to make TD a more inclusive workplace for all. The pathway features resources that inform colleagues about accessibility and the ways in which colleagues can make TD a more accessible and inclusive organization.

**Veterans**

- TD Bank observed Veterans Day in 2021 in the U.S., closing stores and back office operations, and hosted its second **Veterans Summit** in November 2021 in the U.S. with the theme of Mindset Matters: Resiliency and Sustainability. The Summit brought together veterans, people managers and senior leadership for a discussion on hiring veterans, personal experiences and transitioning veterans into the civilian workforce.
- We launched a **veteran mentorship** program in 2020, which pairs a veteran mentee with a veteran mentor to provide specific support and resources while helping the mentee transition or adjust to civilian life and develop specific skill sets.

TD became a signatory to the **UN Women's Empowerment Principles**, in December 2021, furthering its commitment to gender equity. The principles, which are the result of collaboration between the UN Global Compact and UN Women, offer guidance on how to promote gender equality and women's empowerment in the workplace.





Table of Contents

**Introduction** +

**Governance** +

**Environmental** +

**Social**

Our 'S' Journey 53

Financial & Economic Inclusion 54

Economic Value 60

Social Inclusion 63

Volunteerism 65

Responsible Sourcing 66

Customer Experience 68

Product and Service Responsibility 71

Diversity and Inclusion 73

**Talent Attraction, Development and Retention** **76**

Health and Well-being 80

**2021 Awards and Recognition** **83**

**2021 Performance Data** **84**

**2021 SASB Index** **106**

**Endnotes** **113**

**Acronyms** **115**

**Caution Regarding Forward-Looking Statements** **116**

# Talent Attraction, Development and Retention

## Why it matters to TD

To sustain and grow our legendary customer experience and be the Better Bank, we need to attract, develop, deploy and retain the best talent. With more individuals driven to work for organizations that align with their values, we believe it is our purpose to empower our colleagues to grow their skills, provide opportunities to help achieve career aspirations and create impact at work and in their communities.<sup>103</sup>

**We are on track to deliver on our 2020 commitment to double the representation of Black executives by the end of 2022. We are also more than halfway to delivering on our broader and longer-term commitment, also made in 2020, to increase minority representation at executive levels across North America by October 31, 2025, to achieve 25% Black, Indigenous Peoples and minority community representation at VP+ levels. As of October 31, 2021, representation was at 18.5%.<sup>1</sup>**

<sup>1</sup> Progress toward these targets can be found in performance data [page 100](#).



## Our Approach

At TD, we believe our colleagues can make an impact, explore career growth, and experience a culture of care. We are committed to providing our people with an inclusive environment and the tools they need to achieve their professional goals. TD invests in its colleagues to help them build the skills needed 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. We measure our performance on the colleague experience through an employee engagement score and voluntary turnover rates. We also provide an inclusive culture, opportunities to achieve career growth, competitive benefits and meaningful work and strive to be a workplace that is responsive to the needs of our colleagues.



**Challenge:**  
**Safe Return to Office – Flexibility for Colleagues While Continuing to Meet Customer Needs**

**Response:** As we continue to monitor the pandemic and the impact of variants across our communities, we're preparing for the time when conditions allow us to bring more colleagues back to TD locations. We are working to bring more flexibility into our working models – finding the right mix of performance, connection, career growth and personal flexibility for our colleagues – while continuing to support the evolving needs of our customers. Offices are core to supporting the TD culture and to our colleague experience. They are where the “moments that matter” happen: a first day on the job, collaborative brainstorming sessions and celebrating individual and team accomplishments.

Businesses across the Bank have different needs and as such will take approaches to return colleagues to the office based on one of three models: primarily on-site, hybrid (on- and off-site) and primarily off-site. We continue working across our businesses to support colleagues during this time of transition and uncertainty and provide support resources, including information about TD's health and safety requirements and frequently asked questions about returning to the office.

Our future workplace strategy is anchored in our business strategy: a proven business-model, purpose-driven and future-focused. It is more than opening the doors to our corporate locations – it's about reimagining how work gets done, applying what we learned from the work-from-home experience, and striking the right balance to continue enriching our culture.



Table of Contents

Introduction +

Governance +

Environmental +

Social

Our 'S' Journey 53

Financial & Economic Inclusion 54

Economic Value 60

Social Inclusion 63

Volunteerism 65

Responsible Sourcing 66

Customer Experience 68

Product and Service Responsibility 71

Diversity and Inclusion 73

Talent Attraction, Development and Retention 76

Health and Well-being 80

2021 Awards and Recognition 83

2021 Performance Data 84

2021 SASB Index 106

Endnotes 113

Acronyms 115

Caution Regarding Forward-Looking Statements 116

Attracting a Diverse and Inclusive Workforce

We have a Diversity Sourcing team that is dedicated to attracting talent from diverse communities in alignment with an enterprise-wide talent acquisition strategy. We value diversity and are committed to recruiting people with disabilities, women, Indigenous Peoples,

veterans, newcomers, members of the LGBTQ2+ and Black communities and other visible minorities (Canada)/ minorities (U.S.). We work to attract and develop next-generation professionals by offering paid internships, rotational programs and management associate programs.

In 2021, some of our initiatives to attract a diverse workforce included the following:

Diverse Talent	Recruitment Initiatives
<b>Women</b>	<ul style="list-style-type: none"> <li>In 2021, TD successfully launched new cohorts of the <b>Career Relaunch program</b> designed to increase diversity in senior ranks. This program was created to recruit and nurture financial professionals who took an intentional career break for a range of reasons – to raise children, care for parents, serve in the military or tend to personal health.</li> <li>Through our <b>Women Advisor Strategy</b>, we implemented a wealth planning strategy supported by the recruitment of more women for senior investment advising roles and launched a mentorship program to help retain, grow and develop talent at TD.</li> </ul>
<b>LGBTQ2+ Community</b>	<ul style="list-style-type: none"> <li>TD has <b>two specialized talent recruiters</b>, one in Canada and one in the U.S., to connect LGBTQ2+ talent with career opportunities at TD.</li> <li><b>TD partnered with the Tent Partnership for Refugees and the Human Rights Campaign</b> to support the economic integration of LGBTQ2+ refugees, providing mentorship support to LGBTQ2+ refugees in our local markets.</li> </ul>
<b>Visible Minorities (Canada)/ Minorities (U.S.)</b>	<ul style="list-style-type: none"> <li>In Canada and the U.S., we worked with <b>Ascend</b>, an organization that works to promote current and future business leaders from Pan-Asia. Our work with Ascend helps us build and develop a highly engaged pool of potential applicants.</li> <li>We also worked with the <b>Association of Latino Professionals For America</b> to identify talent from the Latinx community in the U.S.</li> </ul>
<b>Black Community</b>	<ul style="list-style-type: none"> <li>TD intends to provide colleagues the opportunity to harness their passion and talent to support the work of the <b>Black Opportunity Fund (BOF)</b>. Every year, TD colleagues can apply for two positions to be seconded to the BOF to work on selected projects and initiatives that support the organization's mission to help dismantle the effects of anti-Black racism. We will be launching a wide range of BOF volunteer opportunities to TD employees, including skill-based projects through the TD Ready Commitment Network.</li> </ul>
<b>Indigenous Peoples</b>	<ul style="list-style-type: none"> <li>The <b>TDI Indigenous Internship Program</b> is designed for young professionals and TD colleagues from Indigenous communities to gain insights and hands-on experience in the insurance business.</li> <li>TD has a <b>Diversity Sourcing Partner</b> dedicated to building awareness and connecting talent from Indigenous communities with career opportunities at TD.</li> <li>We supported the <b>Aboriginal Management Program, part of the Ch'Nook Indigenous Business Education Initiative</b> at the University of British Columbia, which is designed for professionals from the Indigenous community and provides professional development opportunities.</li> </ul>
<b>PWD/lwDA</b>	<ul style="list-style-type: none"> <li>Our partnership with <b>Specialisterne USA</b> has expanded beyond a pilot into multiple lines of business. This has led to approximately 60 Specialisterne hires in the U.S. and Canada. We have exceeded our 2025 representation goal of persons with disabilities in Canada and the U.S., and representation has doubled in the U.S. in one year.</li> <li>TD also hosted its fifth <b>Project SEARCH cohort</b>, a one-year transition program for young people with cognitive disabilities. In 2021, there were 26 graduates which led to three hires at TD. TD was recognized for its hiring rate in 2021 and received the Project Search Excellent Outcome Award.</li> </ul>
<b>Veterans</b>	<ul style="list-style-type: none"> <li>In 2021, we hired a dedicated recruiter who focuses on <b>Diversity Sourcing aimed at increasing veteran representation</b> and we launched a <b>veterans recruitment web page</b> and developed the veterans talent acquisition champions, who are the points of contact for recruiters to help advocate for hiring a veteran candidate.</li> </ul>
<b>Newcomers</b>	<ul style="list-style-type: none"> <li>TD Securities joined the <b>FUSE network</b>, an initiative created by Breaking Barriers, a charity aiming to reduce unemployment among refugees in the United Kingdom. The FUSE network is a coalition of businesses committed to supporting refugees entering the workforce and urges more companies to get involved in the plight of Afghan refugees.</li> </ul>

Analyst Corner

Talent Attraction, Development and Retention Data ([page 102](#))

[Our Commitment to Diversity](#)

[Campus Recruitment](#)

[Developing Leaders](#)

[Training and Development](#)





**Table of Contents**

**Introduction** +

**Governance** +

**Environmental** +

**Social**

Our 'S' Journey	53
Financial & Economic Inclusion	54
Economic Value	60
Social Inclusion	63
Volunteerism	65
Responsible Sourcing	66
Customer Experience	68
Product and Service Responsibility	71
Diversity and Inclusion	73
<b>Talent Attraction, Development and Retention</b>	<b>76</b>
Health and Well-being	80

**2021 Awards and Recognition** 83

**2021 Performance Data** 84

**2021 SASB Index** 106

**Endnotes** 113

**Acronyms** 115

**Caution Regarding Forward-Looking Statements** 116

**Developing Human Capital at TD**

We invest in our colleagues, enabling them to 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 are created for the unique needs of our colleagues. Learning and development (L&D) initiatives support a culture of continual learning and growth for colleagues and people managers that enables them to make a meaningful impact on customers, colleagues, and the communities we serve.

**Performance in 2021**

**Investing in Training and Development**

In 2021, we invested \$79.0 million globally in training and developing our colleagues.<sup>104</sup> The average number of days of training invested per person increased/decreased from 5.3 to 7.33 days. Colleagues also receive individual performance reviews and have regular development planning discussions with their managers.

**Upskilling Our Workforce**

Colleagues across the Bank engage in learning programs through multiple modalities to build the skills and capabilities needed to be effective in their current roles, to prepare for future roles and to excel in new ways of working. In 2021:

- We launched the **Next Evolution of Work (NEW) Learning Pathway** for over 1,700 colleagues, building knowledge of how to operate in the NEW working model, with over 360 modules delivering approximately 32,000 learning hours.
- We focused on driving the adoption of **Enterprise Skill Assessment** tools to enable colleagues with targeted and continual development opportunities to take advantage of the thousands of assessments available to them.
- We designed a skill plan to provide all colleagues with a **foundational understanding of ESG**, including what it is, why it's important and how we are approaching ESG at TD.

TD Thrive remains a key component of our learning and development strategy with colleague adoption growing by an additional 10% since the last fiscal year, reaching 78% of TD colleagues. Since the launch, there have been 1,444,025 content views, representing an increase of 68% over 2020.

**Developing Our Leaders at Every Level**

We continue investing in our colleagues by offering training opportunities that provide best-in-class learning while working remotely. Key highlights include:

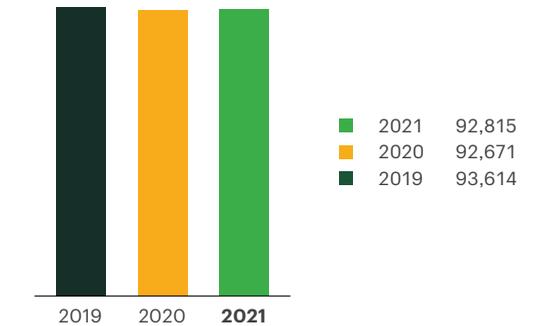
- Inviting all new people managers to participate in **Activate**, our flagship leadership development program, which provides people managers with the tools and knowledge needed to transition quickly and smoothly within their first six months on the job.
- Developed resources to support people managers' skills development. We launched **People Manager Accountabilities & Objectives** to clarify expectations of people managers in supporting their employees' development in order to drive business performance. We also launched eight **virtual instructor-led learning programs** to help people managers further develop leadership and management skills.
- Introducing team effectiveness training, including a **Team Effectiveness Workshop**, to support the development of high-performing teams. Fostering team effectiveness has become increasingly critical given that teams are becoming more digital, dispersed and dynamic, which makes collaboration more challenging and complex.

Additionally, we launched new executive development offerings:

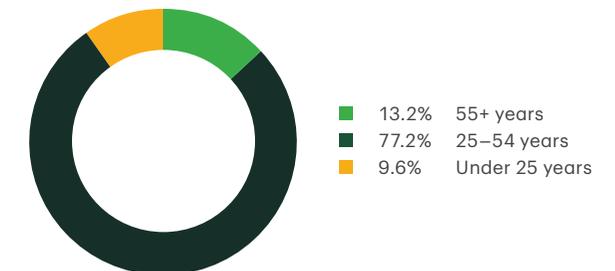
- **ELEVATE**: Designed exclusively for TD executives, this flagship five-week leadership development program for new executives focuses on the capabilities that reflect TD's Shared Commitments and boosts executive leadership capabilities. This dynamic experience inspires executives to set a clear direction and drive results for their business.
- **Creating an Environment of Psychological Safety**: In this program, leaders explore the link between psychological safety and business success and learn how to empower their teams to make decisions and create a climate where colleagues are comfortable speaking up and challenging the status quo.

**Total Colleagues, Colleague Age Profile, Colleagues by Region**

**Number of Colleagues**



**Colleague Age Profile**



**Colleagues by Regions**

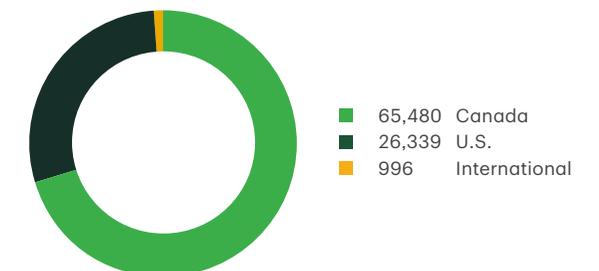




Table of Contents

Introduction +

Governance +

Environmental +

Social

Our 'S' Journey 53

Financial & Economic Inclusion 54

Economic Value 60

Social Inclusion 63

Volunteerism 65

Responsible Sourcing 66

Customer Experience 68

Product and Service Responsibility 71

Diversity and Inclusion 73

Talent Attraction, Development and Retention 76

Health and Well-being 80

2021 Awards and Recognition 83

2021 Performance Data 84

2021 SASB Index 106

Endnotes 113

Acronyms 115

Caution Regarding Forward-Looking Statements 116



Building Our Leadership Pipeline

Our programs continue to deliver accelerated development experiences for our most promising leaders to prepare them for more senior roles. We

provide them with a comprehensive end-to-end experience that includes assessments, coaching, experiential learning, and networking and mentorship to increase their knowledge, foster relationships and build leadership capabilities. Our programs are having a demonstrated impact, resulting in a 90% retention rate, 52% promotion rate and stronger succession plans. We have evolved and expanded our programs to reach all levels, including the following:

- **Ignite** provides selected high-potential VPs with a 15-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 by reflecting and developing capabilities for themselves, the team and the organization.
- **Leading with Impact** is a program that challenges senior managers through a combination of critical experiences and classroom learning, with a focus on driving real business and community 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

Our measurement of employee experience is holistic and includes engagement, leadership effectiveness, work enablement, inclusion, well-being, and TD's culture. We both measure and take action on all aspects of our

colleague experience and strive to create an environment with opportunities for our employees to have a positive impact on our colleagues, customers, and communities.

Our **employee engagement scores (on a five-point scale) have declined since record high scores in 2020, but remain above top quartile benchmarks**, 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. **On our employee engagement index, women scored 86% favourably, which is higher than the enterprise-wide score of 84%.**

We continued to measure the impact of COVID-19 through both our spring Colleague Connection Survey and our annual TD Pulse survey. Through these questions we learned that our colleagues are adapting to working in new ways. Colleagues have also shared the unique challenges that they currently face and the moments that will be meaningful to experience in person as we transition out of the pandemic. **Our people managers continue to support our colleagues through this time, keep them informed, and work to ensure that their concerns are heard. As a result, the People Manager Index score has increased.**

Our employee engagement is guided 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 50,000 ideas from employees to help improve the way we work at TD. We review 100% of the submitted ideas, and, at present, we have implemented approximately 4,800 of them. An iD8 idea that was recently implemented leverages automation technology to help colleagues monitor and identify expiring long-term leases held by TD, which was previously a manual task.



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 2021, TD's

**average global turnover increased to 19.8% from 14.5%** in the previous year. Our **voluntary turnover** in Canada, at 14.7% , increased year-over-year, and in the U.S., where the voluntary turnover rates tend to be higher than in Canada, we saw a year-over-year increase at 19.7% .<sup>105</sup> Details regarding turnover rates by region are available in the performance data on [page 105](#).

We are committed to retaining our employees by focusing on providing employees with support and the opportunity to grow their careers. In 2021, we continued to advance our career mobility strategy through investments in two new practices. We established:

- An **enterprise redeployment practice** with a dedicated team providing job search support to colleagues affected by job loss. An initial pilot of this practice proved that providing central support leads to positive outcomes and an exceptional colleague experience. Feedback from colleagues was positive and the support provided was evidence of TD's culture of care.
- A **Career Solutions practice** promoting a culture of internal growth and development. We launched a Career Solutions site in early 2021 to provide centralized tools and resources to help colleagues plan for their career. We also developed career planning workshops that were piloted with 11 lines of business and reached 2,500 colleagues, with pilots planned, including with D&I communities.

Throughout 2021, we also invested in career mobility tools to enhance data and reporting capability to match colleagues with opportunities. We intend to continue to build and evolve these offerings in alignment with changing workforce needs.



Table of Contents

Introduction +

Governance +

Environmental +

Social

Our 'S' Journey 53

Financial & Economic Inclusion 54

Economic Value 60

Social Inclusion 63

Volunteerism 65

Responsible Sourcing 66

Customer Experience 68

Product and Service Responsibility 71

Diversity and Inclusion 73

Talent Attraction, Development and Retention 76

Health and Well-being 80

2021 Awards and Recognition 83

2021 Performance Data 84

2021 SASB Index 106

Endnotes 113

Acronyms 115

Caution Regarding Forward-Looking Statements 116

# Health and Well-being

## Analyst Corner

Health and Well-being Data  
(page 105)

[Summary of Benefit Programs](#)

[TD's Approach to Job Transitions](#)

[TD's Approach to Total Rewards](#)



TD believes in a holistic approach to well-being and is committed to creating better health outcomes for our approximately 90,000 colleagues. We support and promote healthy, active and balanced living by providing opportunities for colleagues to assess, manage and improve their entire well-being. The pandemic upended the routine of our daily lives and highlighted the diverse nature of our colleagues' physical, financial, mental/emotional and social needs. We aim to create a culture of well-being through initiatives like **Well-being Ambassador Program** that supports these varied needs to produce thriving, secure, and connected colleagues. **Well-being Ambassadors** help colleagues focus on what is meaningful to them by connecting them with resources and being their trusted representative within the business. Building on the successful deployment of the Well-being Ambassador Program in the U.S., we expanded the program into Canada, Europe and Asia in the spring of 2021, with over 250 ambassadors supporting well-being efforts globally across every business. The global well-being strategy offers programs tailored at the local level and personalized for colleague needs.



### COVID-19-Related Program Enhancements

In response to the ongoing global pandemic, TD increased leader-led and enterprise-wide communications on health and well-being, centralized well-being information for colleagues' ease of access, and adjusted benefits and added new offerings to meet evolving and urgent needs.

As part of our ongoing focus to provide a safe work environment during the COVID-19 pandemic, we did the following:

- Continued to prioritize health and safety by regularly assessing our protocols and **introducing new vaccination requirements** to support our collective effort to help end the pandemic.
- Provided colleagues with **paid time off to obtain their vaccination** and offered an additional **well-being paid day off** to our colleagues.
- In Canada, we organized a **two-day pop-up vaccination clinic** for the Toronto region to help support colleagues and their families to obtain the vaccine.
- Mobilized a **centralized well-being hub** ensuring relevant information is easily accessible to colleagues and launched the **TD BoardingPass app and Enterprise Health Screening** form to enable colleagues working from a TD location to complete daily health screening before arriving on premises.
- Implemented a jurisdictional risk-based approach, allowing TD locations in certain jurisdictions to relax selected health and safety protocols, based on COVID-19 infection and vaccination rates in a specific location.
- Added **COVID-19 testing as an eligible expense in Canada and the U.S. under our benefit programs** when testing has not been prescribed by a doctor.
- Continued to implement and communicate the availability of **statutory leaves in Canada for COVID-19-related reasons**.
- Provided **COVID-19 paid time off and leave programs** to support colleagues and comply with state and local laws.



**Table of Contents**

**Introduction** +

**Governance** +

**Environmental** +

**Social**

Our 'S' Journey	53
Financial & Economic Inclusion	54
Economic Value	60
Social Inclusion	63
Volunteerism	65
Responsible Sourcing	66
Customer Experience	68
Product and Service Responsibility	71
Diversity and Inclusion	73
Talent Attraction, Development and Retention	76
<b>Health and Well-being</b>	<b>80</b>

**2021 Awards and Recognition** 83

**2021 Performance Data** 84

**2021 SASB Index** 106

**Endnotes** 113

**Acronyms** 115

**Caution Regarding Forward-Looking Statements** 116

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

**Physically Thriving**

Understanding and managing one's health, practising prevention, and feeling your best at home and at work.

Physically Thriving



**Mentally & Emotionally Flourishing**

The ability to realize your own potential, cope with normal stresses, and be productive at home and at work.

Mentally & Emotionally Flourishing



**Financially Secure**

Having the financial knowledge and resources to manage commitments, meet goals, protect against risks, and cope with financial shocks.

Financially Secure

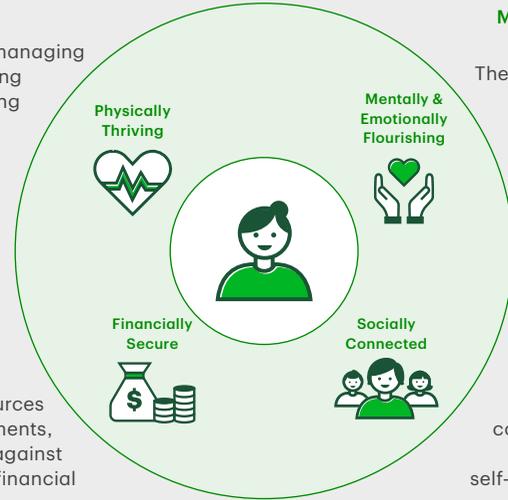


**Socially Connected**



**Socially Connected**

Feeling connected to people and the community as a whole, believing in your own self-worth and usefulness to society.



**Physical Well-being**

TD physical well-being initiatives focus on understanding and managing health and practicing prevention to help ensure colleagues feel and stay well. This remains particularly important as we continue to navigate life in a global pandemic.

In support of this priority, TD hosted a campaign in 2021 on the importance of preventive health care, delivered through our Well-being Ambassador network and reinforced in a webinar with our Chief Medical Director, who also delivered several webinars to educate colleagues through the pandemic, including COVID-19 safety and vaccine education as well as tips and resources for parents as they consider back-to-school safety. Virtual health care was introduced initially on a short-term basis in Canada in 2020 in response to the pandemic, joining existing programs in the U.S., U.K. and Singapore. To help support continued well-being for colleagues in 2021, the program in Canada was extended.

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 colleagues, 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 colleagues to effectively support H&S programs across the enterprise.

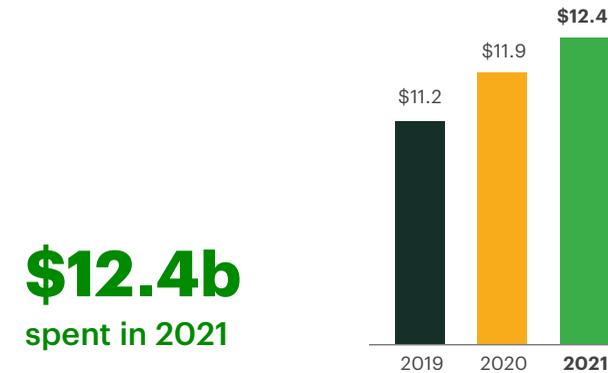
**Financial Well-being**

TD is committed to providing our colleagues 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 (multiple jurisdictions) to help colleagues meet their financial goals.

We have designed our benefits plan to provide colleagues with essential benefits to protect them from unanticipated financial hardship. TD provides a variety of information resources to help colleagues choose the benefits plan that best meets their individual needs. Colleagues receive assistance for coverage from TD through benefit credits (Canada) or subsidies (U.S.).

We offer online retirement and financial planning tools for our colleagues to assist them with personalized projections for their short-term and long-term plans. Our colleagues 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.

**Total Spending on Compensation Salaries and Benefits (\$ billions)**



**\$12.4b**  
spent in 2021



**Table of Contents**

**Introduction** +

**Governance** +

**Environmental** +

**Social**

Our ‘S’ Journey 53

Financial & Economic Inclusion 54

Economic Value 60

Social Inclusion 63

Volunteerism 65

Responsible Sourcing 66

Customer Experience 68

Product and Service Responsibility 71

Diversity and Inclusion 73

Talent Attraction, Development and Retention 76

**Health and Well-being 80**

**2021 Awards and Recognition 83**

**2021 Performance Data 84**

**2021 SASB Index 106**

**Endnotes 113**

**Acronyms 115**

**Caution Regarding Forward-Looking Statements 116**

**Mental/Emotional Well-being**

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

In 2021, we continued to build on our commitment to support mental health and overall well-being:

- We launched a comprehensive and innovative Mental Health Awareness Month campaign in Canada and the U.S. in May 2021, heightening our focus on destigmatizing mental health conversations and increasing manager confidence (features of the campaign included the Colleague Well-being Check-In, the People Manager Conversation Guide and educational videos).
- We provided all colleagues one “TD Total Well-being” paid day off to focus on personal well-being and self-care.

- We launched a Reset & Recharge campaign with suggested tactics for business leaders to implement to support colleagues’ well-being and prevent burnout.
- We continued to support ongoing well-being efforts related to a safe return to the workplace to help colleagues and people managers adjust as they begin to return to TD premises.
- In Canada, we launched a new total well-being app – an expansion of the employee and family assistance program, providing a consumer-grade user experience, with useful and personalized well-being content and tools.
- In support of the different ways our colleagues are building their families, we enhanced bereavement leave in Canada to support colleagues who experience losses related to end of a pregnancy with time off available to the person who gives birth, their partner and those who were expecting a child via adoption or surrogacy. We also enhanced family planning benefits in Canada (effective March 1, 2022) and the U.S. to include expanded fertility, adoption and surrogacy support options.



**Social Well-being**

TD is committed to making sure our colleagues feel connected to people and the community. Our initiatives focus on colleagues taking ownership of their personal health, removing barriers to well-being and improving colleague engagement on issues that support well-being. Our Well-being Ambassador program is a key tool in fostering social connection amongst colleagues, promoting total-well-being, and creating an important sense of community, which has been particularly meaningful while many colleagues have been working remotely. In July 2021, the Well-being Ambassadors shared information with colleagues about the power of human connection with tips and activities to help reconnect colleagues despite ongoing physical distancing requirements. Through our total-well-being app, we launched #HealthyParenting, a TD-exclusive, expert-moderated virtual parenting community where colleagues can chat with others and connect with clinical experts for insights and credible sources and tools about parenting.

**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.



# 2021 Awards and Recognition

Table of Contents

**Introduction** +

**Governance** +

**Environmental** +

**Social** +

**2021 Awards and Recognition** **83**

**2021 Performance Data** **84**

**2021 SASB Index** **106**

**Endnotes** **113**

**Acronyms** **115**

**Caution Regarding Forward-Looking Statements** **116**

## ESG Indices

**Listed on the Dow Jones Sustainability World Index for the eighth consecutive year and is the top ranked North American-based bank on the World Index.**

- Recognized with a “S&P Global Silver Class” distinction. TD is the only North American bank ranked in the S&P Global Gold or Silver Class distinctions.
- FTSE4Good Index.
- Euronext Vigeo World 120 Index.
- Bloomberg Gender-Equality Index for the sixth year in a row.

## Environmental

**Named one of Canada’s Greenest Employers for the 13th consecutive year by Mediacorp Canada.**

- Since 2013, TD has been recognized as a top-performing Canadian bank for climate disclosure by CDP, the global environmental disclosure system, and received a B score for its 2021 submission, demonstrating its long-standing commitment to transparency and accountability.
- Received an A- CDP Supplier Engagement Rating.
- TD named a 2021 Green Lease Leader by the Institute for Market Transformation and the U.S. Department for Energy’s Better Buildings Alliance. TD received two Gold Recognition awards, one in the Tenant category and the other in Team Transaction category.

## Social

**TD named one of the World’s Best Employers 2021 by Forbes. In this same list, TD is the top employer in Canada and the No. 2 employer in the Banking and Financial Services industry category for all of North and South America.**

- TD named one of the Best Workplaces™ in Financial Services and Insurance and as one of Canada’s Best Workplaces for Women by Great Place to Work Canada.
- TD recognized with Corporation of the Year Award by Canada’s LGBTQ+ Chamber of Commerce (CGLCC) in November 2021.
- TD Bank named 2021 Leading Disability Employer by the National Organization on Disability (NOD) for the fifth consecutive year.
- TD Bank named one of Forbes’ America’s Best Employers for Diversity for the third year in a row.
- TD Bank named a 2021 Certified Great Place to Work.
- Mediacorp Canada:
  - One of Canada’s Top 100 Employers for the 14th year in a row.
  - One of Greater Toronto’s Top Employers for the 14th year in a row.
  - One of Canada’s Best Diversity Employers for the 10th year in a row.
- Ranked 14th in DiversityInc’s Top 50 Companies for Diversity, up four spots from 2020.
- TD ranked No. 15 out of 100 on Refinitiv’s Diversity and Inclusion Index.
- TD is recognized as one of America’s Best Employers for Veterans by Forbes and Statista.
- TD Bank ranked #1 in SBA lending in our Maine-to-Florida footprint for the fifth consecutive year.<sup>1</sup>

## Governance and Reputation

**TD was recognized at the Celent Model Bank 2021 Awards in the Supporting Customers in the Pandemic Category for the launch of TD Virtual Assistant.**

- TD was ranked as the #2 Most Valuable Canadian Global brand.
- TD was recognized as the “Best Consumer Digital Bank in North America,” as well as seven regional categories, in the 2021 North American Global Finance Digital Bank Awards, including:
  - Most Innovative Digital Bank (third consecutive year)
  - Best Online Product Offerings
  - Best Mobile Banking App
  - Best Bill Payment and Presentment
  - Best Information Security and Fraud Management
  - Best in Lending
  - Best Open Banking APIs
- TD Bank was ranked No. 1 in the 2021 J.D. Power Small Business Banking Satisfaction Study in the South Region. This is the 2nd time in the last 3 years that TD Bank ranked Highest in Customer Satisfaction with Small Business Banking in the South Region, which includes 16 states from Delaware to Texas as well as Washington, D.C.<sup>2</sup>
- TD Bank AI-powered digital experiences was recognized in the Intelligent Agent Category at the Artificial Intelligence (AI) Excellence 2021 Awards sponsored by Business Intelligence Group.
- TD won Best ESG Report in Canada by IR Magazine for the third year in a row.

<sup>1</sup> Lenders ranked by the U.S. Small Business Administration (SBA) based on the SBA’s data for the units of loans approved during the period October 1, 2020 to September 2021.

<sup>2</sup> TD Bank received the highest score in the South Region of the J.D. Power 2019 and 2021 U.S. Small Business Banking Satisfaction Studies of small business owners’ satisfaction with their primary business bank. Visit [jdpower.com/awards](https://jdpower.com/awards) for more details.

# 2021 Performance Data



## Governance Performance

Corporate Governance	85
Data Security and Privacy	86
Human Rights	86
Taxes	86



## Environmental Performance

Climate Change	87
Sustainable Finance	91
Responsible Resource Use	93



## Social Performance

Financial and Economic Inclusion	96
Economic Value	97
Social Inclusion	97
Customer Experience	99
Product and Service Responsibility	100
Diversity and Inclusion	100
Talent Attraction, Development and Retention	102
Health and Well-being	105



# Governance Performance

## 2.1 Corporate Governance

### Performance in 2021

<b>TD's Board of Directors</b> as at October 31, 2021	<b>Target</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
Number of Independent Board members	n/a	<b>14</b>	12	13
Percentage of independent Directors <sup>1</sup>	Substantial majority	<b>93%</b>	92%	93%
Average annual Board attendance	At least 75%	<b>99%</b>	99%	99%
Average Board tenure (in years)	n/a	<b>8.0</b>	8.0	7.0
Percentage of women Directors	At least 30%–40% of the Board's Directors	<b>40%</b>	38%	36%
Percentage of visible minority Directors	n/a	<b>13%</b>	15%	14%
Percentage of Directors that voluntarily self-identified as a visible minority, an Indigenous person, LGBTQ2+ or a person with a disability <sup>2</sup>	n/a	<b>33%</b>	31%	– <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>9</b>	5	6

<sup>1</sup> TD's Board of Directors includes 15 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.

<b>Responsible Conduct and Compliance Incident Reporting</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
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>99.8%</b>	98.4%	99.0%
Number of significant monetary fines or significant non-monetary sanctions for non-compliance with laws and regulations <sup>3</sup>	<b>0</b>	2 <sup>4,5</sup>	1 <sup>6</sup>

<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> For reporting purposes, we determine 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 (as such term is used for securities law purposes) and related to incidents that are of a regulatory nature.

<sup>4</sup> In 2020, TD Bank 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>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.



## 2.3 Data Security and Privacy

Privacy	2021	2020	2019
Number of unresolved well-founded <sup>1</sup> privacy complaints from the Office of the Privacy Commissioner of Canada	0	0	0
Regulatory privacy findings against the Bank in the U.S., Europe or Asia-Pacific	0	0	0
Percentage of eligible employees who completed Privacy training <sup>2</sup>	99.9%	98.3%	99.5%

<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.

## 2.4 Human Rights

Employee Training Hours Related to Human Rights	2021	2020	2019
Total number of employee training hours related to human rights <sup>1</sup>	526,890 <sup>2</sup>	113,636	95,228 <sup>3</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 2019, 2020 and 2021. 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> Fiscal year 2021 figure increase is a result of methodology changes and an expansion of our human rights-related training activities.

<sup>3</sup> The figures for 2019 were restated in 2020 to be consistent with updates made to our calculation methodology.

## 2.5 Taxes

Taxes Borne by TD Bank Group (in millions of dollars)	2021	2020	2019
Income taxes <sup>1</sup>	3,621	1,152	2,735
Payroll taxes for over 90,000 employees in the jurisdictions that TD operates	635	602	587
Transaction and sales taxes	535	539	678
Capital and insurance premium taxes	201	186	168
Property and business taxes	253	257	243
<b>TOTAL</b>	<b>5,245</b>	<b>2,736</b>	<b>4,411</b>
Effective income tax rate – reported <sup>1</sup>	21.1%	9.7%	20.7%
Effective total tax rate <sup>2</sup>	28.0%	20.3%	29.6%

<sup>1</sup> The year-over-year increase primarily reflects the impact of higher pre-tax income as well as the impact of the sale of the Bank's investment in TD Ameritrade in the prior year.

<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.



# Environmental Performance

## 3.2 Climate Change

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

PROGRESS ON GOAL		
Target	Progress	2021 Result
\$100 billion, in total, in low-carbon lending, financing, asset management and internal corporate programs by 2030	On track <sup>2</sup>	Since 2017, we have contributed over \$86 billion towards these initiatives. <sup>3</sup>

<sup>1</sup> More details on our progress against this target can be found on [page 39](#) of this report.

<sup>2</sup> In 2021, we deployed a record \$30 billion towards our \$100 billion by 2030 target to support the low-carbon economy. If similar market conditions hold, we expect to achieve our \$100 billion target by the end of 2022, eight years ahead of our plan. We are excited to build on this momentum and start work on the next evolution of this goal.

<sup>3</sup> For more information on the methodology used to calculate TD's contribution and impact assessment, see pages 7-10 of [Low-Carbon Economy Progress Report](#).

### Low-Carbon Economy Contribution – FY21 Detailed Breakdown by Segment (in millions of dollars)

TD Segment	Auto & Transportation	Energy	Real Estate	Recycling	Sustainable Land Use	Multi Sector	FY21 Total <sup>2</sup>	Grand Total FY17-FY21 <sup>2</sup>
TDAM <sup>1</sup>	514	1	15	58	5	0	593	6,237
TD Business Banking	251	2	1,345	33	18	0	1,649	5,395
TD Bank	455	0	149	8	329	0	941	7,135
TD Environment	0	0	0	0	1	4,551	4,552	5,890
TDI	1,624	0	572	0	0	0	2,196	7,073
TDS	549	4,750	93	1,711	67	0	7,169	28,348
Green Bond Underwriting	0	3,119	536	0	0	9,185	12,841	26,165
<b>Total<sup>2</sup></b>	<b>3,394</b>	<b>7,873</b>	<b>2,710</b>	<b>1,809</b>	<b>419</b>	<b>13,737</b>	<b>29,942</b>	<b>86,245</b>

<sup>1</sup> Fiscal year 2021 data reported by TDAM represents only active equity and fixed income investments.

<sup>2</sup> Totals may not add up due to rounding.

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

	2021	2020	2019
Carbon-related assets relative to total assets (%)	15.0%	2.3%	2.7%

<sup>1</sup> TCFD updated its suggested definition of carbon-related assets in October 2021. Following the new guidance, our exposure to carbon-related assets equaled approximately 15.0% of our total gross credit risk exposure, as of October 31, 2021. Following the prior definition of carbon-related assets from the 2017 TCFD Annex, our carbon-related assets total 1.9% of our total gross credit risk exposure as of October 31, 2021. More information on carbon-related assets can be found in TD's [Climate Action Plan Report](#).



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

**PROGRESS ON GOAL**

Target	Progress	2021 Result <sup>1</sup>
Absolute reduction in GHG emissions from our operations (Scope 1 and 2 GHG emissions) by 25% by 2025, relative to a 2019 baseline	On track	25% reduction in Scope 1 and 2 GHG emissions relative to 2019 baseline

**New Goal – TD’s Scope 3 Financed Emissions Targets**

Client Sector	Client Emissions Scope	2019 Portfolio Baseline	2030 Portfolio Targets	2019–30 Reduction Targets
Energy	<b>Scope 1–3</b>	<b>2,078 gCO<sub>2</sub>e/CAD \$</b>	1,475 gCO <sub>2</sub> e/CAD \$	-29%
	Operational: Scope 1 and 2	204 gCO <sub>2</sub> e/CAD \$		
	End-Use: Scope 3	1,874 gCO <sub>2</sub> e/CAD \$		
Power Generation	<b>Scope 1</b>	<b>376 kgCO<sub>2</sub>e/MWH</b>	156 kgCO <sub>2</sub> e/MWH	-58%

Scope 1 & 2 (location based)	Units	2021	2020	2019
Scope 1 <sup>5,6</sup>	tonnes CO <sub>2</sub> e	<b>38,924</b>	42,512	50,711
Scope 2 (location based) <sup>7</sup>	tonnes CO <sub>2</sub> e	<b>78,959</b>	93,999	107,366
<b>Total Scope 1 &amp; 2 (location based)<sup>8,15</sup></b>	tonnes CO <sub>2</sub> e	<b>✓ 117,883</b>	<b>✓ 136,511</b>	<b>✓ 158,077</b>
GHG emission intensity (per square foot)	kg CO <sub>2</sub> e/sq ft	<b>5.15</b>	5.84	6.65
GHG emission intensity (per millions in revenue)	tonnes CO <sub>2</sub> e/millions of dollars	<b>2.76</b>	3.13	3.85
Scope 1 & 2 (market based)	Units	2021	2020	2019
Scope 1 <sup>5,6</sup>	tonnes CO <sub>2</sub> e	<b>38,924</b>	42,512	50,711
Scope 2 (market based)	tonnes CO <sub>2</sub> e	<b>7,274</b>	6,835	8,061
<b>Total Scope 1 &amp; 2 (market based)<sup>8,9,15</sup></b>	tonnes CO <sub>2</sub> e	<b>✓ 46,198</b>	<b>✓ 49,346</b>	<b>✓ 58,772</b>
GHG emission intensity (per square foot)	kg CO <sub>2</sub> e/sq ft	<b>2.02</b>	2.12	2.48
GHG emission intensity (per millions in revenue)	tonnes CO <sub>2</sub> e/millions of dollars	<b>1.08</b>	1.13	1.43

Scope 3 <sup>10</sup>	Units	2021	2020	2019
Purchased goods and services	tonnes CO <sub>2</sub> e	<b>1,666,191</b>	1,562,900	1,287,900 <sup>11</sup>
Capital goods	tonnes CO <sub>2</sub> e	<b>110,586</b>	173,467	97,631 <sup>11</sup>
Fuel and energy-related activities	tonnes CO <sub>2</sub> e	<b>17,786</b>	23,436	32,166
Business travel	tonnes CO <sub>2</sub> e	<b>✓ 1,788</b>	<b>✓ 8,593</b>	<b>✓ 17,159</b>
Downstream leased assets	tonnes CO <sub>2</sub> e	<b>✓ 866</b>	<b>✓ 1,121</b>	<b>✓ 848</b>

**Scope 3 financed emissions (based on drawn lending balances)<sup>12</sup>**

Energy sector <sup>13</sup>	mega tonnes CO <sub>2</sub> e	-	2.3	-
Power sector <sup>14</sup>	mega tonnes CO <sub>2</sub> e	-	1.2	-

**Scope 3 financed emissions (based on total lending commitments)<sup>12</sup>**

Energy sector <sup>13</sup>	mega tonnes CO <sub>2</sub> e	-	8.8	-
Power sector <sup>14</sup>	mega tonnes CO <sub>2</sub> e	-	5.5	-

**Scope 1 & 2 by country (location based)**

Canada				
Scope 1	tonnes CO <sub>2</sub> e	<b>24,868</b>	27,033	30,566
Scope 2 (location based)	tonnes CO <sub>2</sub> e	<b>28,876</b>	30,647	35,328
<b>Total Canada<sup>15</sup></b>	tonnes CO <sub>2</sub> e	<b>✓ 53,744</b>	<b>✓ 57,681</b>	<b>✓ 65,894</b>
U.S.				
Scope 1	tonnes CO <sub>2</sub> e	<b>13,848</b>	15,268	19,882
Scope 2 (location based)	tonnes CO <sub>2</sub> e	<b>49,341</b>	62,493	71,097
<b>Total U.S.<sup>15</sup></b>	tonnes CO <sub>2</sub> e	<b>✓ 63,189</b>	<b>✓ 77,761</b>	<b>✓ 90,979</b>
International				
Scope 1	tonnes CO <sub>2</sub> e	<b>208</b>	210	263
Scope 2 (location based)	tonnes CO <sub>2</sub> e	<b>742</b>	859	941
<b>Total International<sup>15</sup></b>	tonnes CO <sub>2</sub> e	<b>✓ 950</b>	<b>✓ 1,069</b>	<b>✓ 1,204</b>
<b>Total Scope 1 &amp; 2 (location based)<sup>15</sup></b>	tonnes CO <sub>2</sub> e	<b>✓ 117,883</b>	<b>✓ 136,511</b>	<b>✓ 158,077</b>



<sup>1</sup> Our GHG reductions since 2019 are primarily attributable to COVID-19 (e.g., employees working from home), and are anticipated to increase to some extent as our colleagues return to the office.

<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 engineering and consulting firm.

<sup>3</sup> See [page 90](#) of this report for TD's 2021 carbon-neutral schedule.

<sup>4</sup> For further details see accompanying notes on [page 90](#) of this report.

<sup>5</sup> The reporting period for Scope 1, stationary combustion and refrigerants, is August 1 to July 31, representing 37,291 tonnes CO<sub>2</sub>e. The reporting period for Scope 1, mobile combustion (travel), is November 1 to October 31, representing 1,633 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 2019 figures were restated in 2020 as a result of methodology changes.

<sup>12</sup> The first year this metric was disclosed was fiscal year 2021 for fiscal year 2020 data, due to time lags in third-party data sources; please see pages 49–51 of the [Climate Action Plan Report](#) for more information.

<sup>13</sup> The Energy Sector includes clients involved in the exploration, transportation and refining of oil and gas, as well as clients involved in thermal coal mining, and low carbon fuels and technologies. Emissions included are Scope 1 and 2.

<sup>14</sup> The Power Sector includes clients involved in the generation of power as well as those involved in the transmission and distribution of power that are excluded from the Power Generation financed emissions target. Includes only Scope 1 power generation emissions.

<sup>15</sup> Totals may not add up due to rounding.

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

<b>PROGRESS ON GOAL</b>		
Target	Progress	2021 Result
Continue to reduce overall corporate travel	Met	73% overall reduction by kilometres travelled compared to 2020

<b>Detailed emissions breakdown</b>				
Canada	Units	2021	2020	2019
Air travel <sup>2</sup>	tonnes CO <sub>2</sub> e	<b>168</b>	3,474	6,083
Automobile travel <sup>3</sup>	tonnes CO <sub>2</sub> e	<b>1,236</b>	2,365	3,321
Rail travel	tonnes CO <sub>2</sub> e	<b>0.068</b>	5	125
<b>Total Canada<sup>4</sup></b>	tonnes CO <sub>2</sub> e	<b>1,404</b>	5,845	9,528
<b>U.S.</b>				
Air travel <sup>2</sup>	tonnes CO <sub>2</sub> e	<b>428</b>	2,158	4,502
Automobile travel <sup>3</sup>	tonnes CO <sub>2</sub> e	<b>1,559</b>	4,135	8,656
Rail travel	tonnes CO <sub>2</sub> e	<b>0.33</b>	2	42
<b>Total U.S.<sup>4</sup></b>	tonnes CO <sub>2</sub> e	<b>1,988</b>	6,295	13,201
<b>Total North America<sup>4</sup></b>	tonnes CO <sub>2</sub> e	<b>3,391</b>	12,140	22,729
<b>Distance travelled (km)</b>				
Canada		2021	2020	2019
Air travel <sup>2</sup>	km	<b>720,089</b>	17,546,458	54,013,209
Automobile travel <sup>3</sup>	km	<b>5,383,887</b>	7,743,720	13,912,424
Rail travel	km	<b>4,918</b>	406,281	1,419,995
<b>Total Canada<sup>4</sup></b>	km	<b>6,108,894</b>	25,696,458	69,345,628
<b>U.S.</b>				
Air travel <sup>2</sup>	km	<b>1,509,007</b>	12,571,540	43,211,986
Automobile travel <sup>3</sup>	km	<b>6,756,316</b>	15,023,592	32,445,605
Rail travel	km	<b>23,661</b>	157,812	477,565
<b>Total U.S.<sup>4</sup></b>	km	<b>8,288,983</b>	27,752,944	76,135,156
<b>Total North America<sup>4</sup></b>	km	<b>14,397,877</b>	53,449,402	145,480,784

<sup>1</sup> The 2021 and 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.

<sup>4</sup> Totals may not add up due to rounding.



**Notes to GHG Emissions**

Our annual GHG inventory, with the exception of financed emissions, is prepared by a third party engineering and consulting firm in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard, and related guidance, published by the World Business Council for Sustainable Development (WBCSD) and the World Resources Institute (WRI). Our approach to measuring our Scope 3 financed emissions from lending activities is consistent with PCAF guidance for the measurement of business loans.

**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 is 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.

**Carbon Neutral Commitment**

PROGRESS ON GOAL		
Target	Progress	2021 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	95% of carbon offsets generated social value

**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 Ministry of 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 the Ministry of Environment and Climate Change Canada National Inventory Report and the 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, U.K. 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 all of business travel activities included in its Scope 3 GHG emissions. The GHG emissions data for business travel that was known and available to management was used in helping to determine the Bank's Scope 3 GHG emissions; however, the Bank was not able to substantiate all business travel that may have been booked through alternative travel agents or booked directly with travel carriers.

**Carbon Neutral Schedule<sup>2,3,4</sup>**

	Unit	Canada	U.S.	International	Total
Heating and cooling	tonnes CO <sub>2</sub> e	30,765	13,595	204	44,565
Business travel	tonnes CO <sub>2</sub> e	1,404	1,988	30	3,421
Total heating, cooling and business travel	tonnes CO <sub>2</sub> e	32,169	15,583	234	47,986
Carbon offsets purchased	tonnes CO <sub>2</sub> e	32,169	15,583	234	47,986
<b>Net GHG emissions from energy &amp; business travel</b>	tonnes CO <sub>2</sub> e	✓ 0	✓ 0	✓ 0	✓ 0
Electricity	MWh	243,597	160,987	2,421	407,005
Renewable energy credits purchased	MWh	243,597	160,987	2,421	407,005
<b>Net electricity</b>	MWh	✓ 0	✓ 0	✓ 0	✓ 0
<b>Carbon footprint</b>	tonnes CO <sub>2</sub> e	✓ 0	✓ 0	✓ 0	✓ 0

<sup>1</sup> Social value is based on TD's analysis of project documents provided by issuers, pursuant to TD's internal Standard of Practice for Greenhouse Gas Offsets and Renewable Energy Credits.  
<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 2021 were purchased post October 31, 2021. All RECs and Offsets allocated were of an appropriate vintage for fiscal year 2021, per TD's internal Standard of Practice for Greenhouse Gas Offsets and Renewable Energy Credits.



**Insurance**

**PROGRESS ON GOAL**

Target	Progress	2021 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	2021	2020	2019
Number of active hybrid and electric vehicle discounts	number of discounts	<b>52,578</b>	40,135	33,530
GHG emissions reductions by TD Auto Insurance customers <sup>1,3,4</sup>	tonnes CO <sub>2</sub> e	<b>9,177</b>	13,193	17,637
Cumulative reduction of GHG emissions by TD Auto Insurance customers, since 2012 <sup>2,3</sup>	tonnes CO <sub>2</sub> e	<b>102,459</b>	93,282	80,089

<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, an engineering and consulting firm.  
<sup>2</sup> The estimated reduction of GHG emissions by TD Auto Insurance customers since 2012 were calculated by WSP, an engineering and consulting firm.  
<sup>3</sup> The 2019 and 2020 results have been restated due to corrected information.  
<sup>4</sup> There is a negative correlation between 'Number of active hybrid and electric vehicle discounts' and 'GHG emissions reductions by TD Auto Insurance customers' from 2019 to 2021. This is due to a number of factors, including improved fuel efficiency of non-hybrid/electric vehicles (a variable used in WSP's GHG quantification approach), and updated methodologies and assumptions used in WSP's calculations in 2021.

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

Solar panel protection	TDI includes insurance on solar panels in its mainstream insurance offerings standard homeowner insurance product; we do not require our customers to purchase additional coverage for their solar panels.
Resilience-related discount	Customers in Alberta who choose stronger and longer life expectancy roofing materials to help reduce damage from extreme weather events such as hailstorms, receive a discount on insurance.
My Insurance self-service tool	This online portal allows customers to view their documents online and thereby helps to reduce waste by reducing the need for paper documents.

<sup>1</sup> For more information please see the [Principles for Sustainable Insurance – Annual Disclosure 2021](#).

## 3.3 Sustainable Finance

**+** For additional information, see the [TD Sustainability Bond \(2020\) Issuance – Use of Proceeds](#) as at October 31, 2021

**Green, Social, Sustainability and Sustainability-Linked (GSSS) Bonds and Loans Underwriting<sup>1</sup>**

	Units	2021	2020	2019
GSSS bonds underwritten	billions of dollars	<b>\$31.6</b>	\$13.9	\$11.7
GSSS bonds underwritten and amount committed in Sustainability-linked Loans (cumulative since 2019)	billions of dollars	<b>Over \$77</b>	Over \$35 <sup>2</sup>	Over \$21 <sup>2</sup>

<sup>1</sup> Reflects the apportioned-value of lead-managed GSSS bonds and the committed value of sustainability-linked loans underwritten by TDS.  
<sup>2</sup> Figure represents GSSS bonds underwritten (cumulative since 2010); does not include amount committed in sustainability-linked loans.

**Financing for Hybrid and Electric Vehicles**

	Units	2021	2020	2019
<b>HEV Financing (full program)<sup>1</sup></b>				
Dollars financed (Canada) <sup>2</sup>	millions of dollars	<b>\$251</b>	\$134	\$122
Dollars financed (U.S.)	millions of U.S. dollars	<b>\$426</b>	\$295	– <sup>3</sup>
Number of financing transactions (Canada) <sup>2</sup>	number of financing transactions	<b>6,196</b>	3,578	3,311
Number of financing transactions (U.S.)	number of financing transactions	<b>8,851</b>	5,731	– <sup>3</sup>
GHG emissions reduction by TD Auto Finance customers in Canada <sup>4,5,6</sup>	tonnes CO <sub>2</sub> e	<b>1,975</b>	4,455	6,465
Cumulative reduction in GHG emissions by TD Auto Finance customers in Canada since 2015 <sup>5</sup>	tonnes CO <sub>2</sub> e	<b>29,209</b>	27,234	22,779

<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](#) of this report for additional context.  
<sup>2</sup> Fiscal year 2019 figures were restated in 2020 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 HEVs. The estimates were based on calculations provided by WSP, an engineering and consulting firm.  
<sup>5</sup> The 2019 and 2020 results have been restated due to corrected information.  
<sup>6</sup> There is a negative correlation between 'Number of financing transactions (Canada)' and 'GHG emissions reductions by TD Auto Finance customers in Canada' from 2019 to 2021. This is due to a number of factors, including improved fuel efficiency of non-HEV (a variable used in WSP's GHG quantification approach), and updated methodologies and assumptions used in WSP's calculations in 2021.



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

PROGRESS ON GOAL		
Target	Progress	2021 Result
100% of applicable transactions reviewed against TD's E&S Risk Process for Non-Retail Lending Business Lines	Met	100% of applicable transactions reviewed against TD's E&S Risk Process for Non-Retail Lending Business Lines

<sup>1</sup> For further details on our environmental and social risk process please see [Environmental and Social Lending Risk Process](#).

**Equator Principles**

PROGRESS ON GOAL		
Target	Progress	2021 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**

In 2021, TD completed 3 Equator Principles transactions, all 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.

**Project Finance Advisory Services**

Total number mandated in the fiscal year 2021 reporting period: 0

**Project-Related Corporate Loans**

Total number that reached financial close in the fiscal year 2021 reporting period: 0

**Project-Related Refinance and Acquisition for Project Finance**

Total number that reached financial close in the fiscal year 2021 reporting period: 0

**Project Finance Transactions**

Total number that reached financial close in the fiscal year 2021 reporting period: 3

Project Finance	Category A <sup>1</sup>	Category B <sup>1</sup>	Category C <sup>1</sup>
<b>Sector</b>			
Mining	1		
Infrastructure			2
Oil & Gas			
Power			
Others			
<b>Region</b>			
Americas	1		2
Europe, Middle East & Africa			
Asia Pacific			
<b>Country Designation</b>			
Designated	1		2
Non-Designated			
<b>Independent Review</b>			
Yes	1		2
No			
<b>Total</b>	<b>1</b>		<b>2</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 8).



**TDAM Performance**

PROGRESS ON GOAL			
2022 Target	2021 Target	Progress	2021 Result
Publish TDAM's Sustainable Investing report	Development of an engagement focus list that factors in significant ESG risks and opportunities	Met	In 2021, TDAM developed a focus list of 37 companies in three key areas: climate change, board diversity, and ESG performance. TDAM engaged with all focus list companies.
Publish TDAM's climate report based on TCFD recommendations including portfolio carbon footprint	Expand research publications that delve further into key ESG dynamics	Met	In 2021, TDAM published 14 ESG-focused thought leadership pieces and white papers.

**TDAM Performance Under UN PRI**

AUM <sup>1</sup>	Module Name	TD Score	TD Score	Median Score
	01. Strategy & Governance	A+		A
<b>Indirect – Manager Selection, Appointment and Monitoring</b>				
<10%	02. Listed Equity	Not reported		
<b>Direct and 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 – Sovereign, Supranational and Agency	A		B
<10%	13. Fixed Income – Corporate Financial	A		B
<10%	14. Fixed Income – Corporate Non-Financial	A		B

<sup>1</sup> Assets Under Management.

**TDAM Proxy Voting Summary<sup>1</sup>**

	Total
Total proposals voted	<b>33,695</b>
Votes against directors for board gender diversity concerns	<b>1,997</b>
Votes against directors for board racial/ethnic diversity concerns	<b>321</b>
Votes against Management Say on Pay proposals	<b>263</b>
Votes for social shareholder proposals	<b>103</b>
Votes for environmental shareholder proposals	<b>72</b>

<sup>1</sup> TDAM's proxy voting guideline on racial/ethnic diversity was implemented in May 2021. TDAM's current guidelines expect at least 30% board gender diversity and at least one racially or ethnically diverse board member in applicable markets.

## 3.6 Responsible Resource Use

**Energy Consumption<sup>1</sup>**

Energy consumption by location <sup>2</sup>	Units	2021	2020	2019
<b>Canada</b>				
Electricity	GJ	<b>876,950</b>	929,208	1,108,905
Natural gas	GJ	<b>402,011</b>	456,709	506,855
Other (steam, heating oil, propane, diesel, chilled water)	GJ	<b>176,377</b>	182,882	203,932
<b>Total Canada<sup>3</sup></b>	GJ	<b>✓ 1,455,338</b>	<b>✓ 1,568,799</b>	<b>✓ 1,819,692</b>
<b>U.S.</b>				
Electricity	GJ	<b>579,553</b>	697,123	747,076
Natural gas	GJ	<b>198,468</b>	193,893	235,511
Other (steam, heating oil, propane, diesel, chilled water)	GJ	<b>34,185</b>	51,286	57,173
<b>Total U.S.<sup>3</sup></b>	GJ	<b>✓ 812,207</b>	<b>✓ 942,302</b>	<b>✓ 1,039,760</b>
<b>International</b>				
Electricity	GJ	<b>8,717</b>	9,581	9,888
Natural gas	GJ	<b>2,985</b>	2,665	3,117



Energy consumption by location <sup>2</sup>	Units	2021	2020	2019
Other (steam, heating oil, propane, diesel, chilled water)	GJ	514	705	757
<b>Total International<sup>3</sup></b>	GJ	✓ <b>12,216</b>	✓ 12,951	✓ 13,762
<b>Total energy consumption<sup>3</sup></b>	<b>GJ</b>	✓ <b>2,279,760</b>	✓ <b>2,524,052</b>	✓ <b>2,873,214</b>
Energy intensity (per square foot)	GJ/sq ft	<b>0.10</b>	0.11	0.12
Energy intensity (per millions in revenue)	GJ/millions of dollars	<b>53</b>	58	70

<sup>1</sup> The 2021 and 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.

<sup>3</sup> Totals may not add up due to rounding.

## Water<sup>1</sup>

### PROGRESS ON GOAL

Target	Progress	2021 Result
By 2025, zero increase in water use relative to 2015 baseline	In Progress	Reduced water use by 13% relative to 2015 baseline

Water consumption	Units	2021	2020	2019
Canada <sup>2</sup>	m <sup>3</sup>	<b>247,964</b>	260,779	309,073
U.S. <sup>3</sup>	m <sup>3</sup>	<b>894,332</b>	867,900	968,648
Total <sup>4,5</sup>	m <sup>3</sup>	<b>1,142,296</b>	1,128,680	1,277,721

<sup>1</sup> The 2021 and 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 2021, 45% in 2020, and 46% in 2019.

<sup>3</sup> Represents approximately 75% of our facilities in 2021, 77% in 2020, and 75% in 2019.

<sup>4</sup> Represents approximately 61% of our facilities in 2021, 61% in 2020, and 61% in 2019.

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

## Waste

Waste - North America <sup>1</sup>	Units	2021	2020	2019
Waste to landfill (trash) <sup>2</sup>	tonnes	<b>7,227</b>	8,569	9,942
<b>Waste diverted from landfill</b>				
Recycled paper (paper shred) <sup>3</sup>	tonnes	<b>9,171</b>	10,098	10,715
Other recycled waste <sup>4</sup>	tonnes	<b>2,969</b>	3,342	3,687
E-waste <sup>5</sup>	tonnes	<b>315</b>	174	192
<b>Total waste generated (landfill &amp; recycled)<sup>6</sup></b>	tonnes	<b>19,681</b>	22,009	24,344
<b>Waste diversion metrics</b>				
% waste diverted from landfill <sup>7</sup>	%	<b>48</b>	45	45
% e-waste diverted from landfill <sup>8</sup>	%	<b>100</b>	100	100

<sup>1</sup> The 2021 and 2020 results may have been impacted due to the COVID-19 pandemic as many employees moved to remote work settings.

<sup>2</sup> Represents 1,273 of 2,678 of our facilities in 2021.

<sup>3</sup> Represents 2,473 of 2,678 of our facilities in 2021.

<sup>4</sup> Represents 1,846 of 2,678 of our facilities in 2021.

<sup>5</sup> Represents 1,224 of 2,678 of our facilities in 2021.

<sup>6</sup> Totals may not add up due to rounding.

<sup>7</sup> Percentage 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.

<sup>8</sup> This percentage applies to the e-waste managed by TD's third-party vendors.



**Paper**

Paper by type <sup>1,2</sup>	Units	2021	2020	2019
Statements and envelopes	tonnes	<b>2,422</b>	2,418	1,947
Commercial print	tonnes	<b>620</b>	1,312	1,697
Office paper	tonnes	<b>1,170</b>	1,465	2,112 <sup>3</sup>
Forms	tonnes	<b>807</b>	1,041	1,204
<b>Total paper<sup>4</sup></b>	tonnes	<b>5,019</b>	6,235	6,374
<b>Recycled content</b>				
Total % post-consumer recycled content	%	<b>9</b>	10	13 <sup>3</sup>
<b>Certified sustainable</b>				
Total % certified (FSC/SFI)	%	<b>93</b>	81	78 <sup>3</sup>

<sup>1</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>2</sup> The 2021 and 2020 results may have been impacted due to the COVID-19 pandemic as many employees moved to remote work settings.  
<sup>3</sup> Fiscal year 2019 results were restated in 2020 due to corrected information.  
<sup>4</sup> Totals may not add up due to rounding.

**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>2021</b>								
Platinum	0	17,217	0	0	0	0	0	0
Gold	0		0		0			
Silver	2		0		0			
Certified	5		0		0			
<b>Total (2007-2021)</b>								
Platinum	12	850,733	1	437,190	1	112,218	8	3,034,966
Gold	183		5		6		7	
Silver	31		1		4		2	
Certified	12		1		6		0	

**LEED Certified Workspace**

	2021	2020	2019
TD LEED certified workspace <sup>1</sup>	<b>8.0%</b>	7.0%	7.7%
Total LEED certified workspace <sup>2</sup>	<b>19.0%</b>	23%	20.5%

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



# Social Performance

## 4.2 Financial and Economic Inclusion

### Financial Education

PROGRESS ON GOAL				
Target	Progress	2021	2020	2019
Help 500,000 participants improve financial literacy through a TD-sponsored program <sup>1</sup>	Not met <sup>2</sup>	<b>275,784</b>	463,700	633,500

### Performance

North America	2021 <sup>3</sup>	2020 <sup>3</sup>	2019
Investment in community financial education programs (in millions)	<b>\$6.7</b>	\$6.3	\$6.0
Number of participants in community financial education programs <sup>2</sup>	<b>275,784</b>	463,700	633,500
<b>U.S.</b>			
Number of financial education classes	<b>492</b>	327	896
Number of attendees: financial education classes	<b>12,924</b>	6,573	14,392
<b>Canada</b>			
Number of participants in Money Matters	<b>6,683</b>	9,040	14,972

### U.S. Financial Education Programs

Financial education category	All events total	All attendees total <sup>1</sup>	LMI events	LMI attendees
Adult general	125	2,597	105	2,218
Homebuyer	112	1,523	90	1,267
Small business	202	7,455	164	2,754
Youth (grades K-12 ages)	53	1,349	26	828
<b>Grand total</b>	<b>492</b>	<b>12,924</b>	<b>385</b>	<b>7,067</b>

- <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. TD-sponsored programs include programs both partially and fully sponsored by TD.
- <sup>2</sup> In 2020 and 2021, 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 and 2021.
- <sup>3</sup> Limited in-person financial education events were held in fiscal 2020 and 2021 due to COVID-19 which resulted in fewer total events and attendees.

### LMI Customer Products

Right Step Mortgage	2021	2020	2019
Number of mortgages originated	<b>478</b>	666	428
Volume of mortgages (in millions USD)	<b>\$117</b>	\$152	\$83
<b>HomeReady Loan</b>			
Number of loans originated	<b>407</b>	265	667
Volume of loans (in millions USD)	<b>\$81</b>	\$50	\$124



## 4.3 Economic Value

### Three-Year Performance

<b>Canada</b>				
	<b>Units</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
Total value of small business loans and other credit facilities <sup>1</sup>	in billions of dollars	<b>\$2.2</b>	\$1.8	\$2.0
Number of small business loans and other credit facilities		<b>14,700+</b>	21,300+	32,000+
Canada Small Business Financing Program <sup>2,3</sup>	in millions of dollars	<b>\$165</b>	\$145	\$211
<b>U.S.</b>				
Total value of small business loans and other credit facilities <sup>1</sup>	in billions of U.S. dollars	<b>\$0.78</b>	\$1.10	\$1.40
Number of small business loans and other credit facilities		<b>23,571</b>	23,900	42,400
Total amount of lending through the 504 loan program <sup>4</sup>	in millions of U.S. dollars	<b>\$133</b>	\$146	\$86
Total amount of lending through the 7a/SBA Express loan program <sup>5</sup>	in millions of U.S. dollars	<b>\$377</b>	<sup>-7</sup>	<sup>-7</sup>
Gross carrying amount of loans originated under the Paycheck Protection Program (PPP) <sup>6</sup>	in billions of U.S. dollars	<b>\$3.6</b>	\$8.2	-
Number of PPP loans funded by TD Bank <sup>6</sup>		<b>47,000</b>	86,000	-
Number of Digital Applications for Small Business		<b>10,832</b>	10,000	5,620
Amount requested through Digital Applications for Small Business	in millions of U.S. dollars	<b>\$337</b>	\$358	\$139
Average size of loan requested through Digital Applications for Small Business	in U.S. dollars	<b>\$31,076</b>	\$35,848	\$28,000

<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 60](#) of this report for more information.

<sup>2</sup> Fiscal year 2019 figure was restated in 2020 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 60](#) 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 7(a) loan program is Small Business Administration's primary program for providing financial assistance to small businesses.

<sup>6</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, 2021. For further information, see page 17 of TD's [2021 Annual Report](#).

<sup>7</sup> The first year this data was disclosed was fiscal year 2021.

## 4.4 Social Inclusion

### Donations

<b>PROGRESS ON GOAL</b>				
<b>Target</b>	<b>Progress</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
Maintain our North American charitable giving at or above 1% of net income before taxes, a target set by Imagine Canada and the Office of Charitable and Community Giving <sup>1</sup>	Met	1.2% <sup>2</sup>	1.2%	1.2% <sup>3</sup>
TD is targeting \$1 billion by 2030 towards community giving (in millions)	On track	\$381	\$256	\$126

<sup>1</sup> The 1% giving target follows the North American scope of TD's corporate citizenship strategy. The target is calculated as 1% of the aggregate of: i) Income (loss) before income taxes across businesses within the Canadian geography, and ii) Income (loss) before income taxes and equity in net income of an investment in TD Ameritrade and Schwab (as applicable) from the U.S. retail bank segment converted into Canadian dollars, calculated on a prior 5-year rolling average ("Average NIBT").

<sup>2</sup> Calculated as a percentage of dividing 2021 total donations by Average NIBT for the years 2016-2020.

<sup>3</sup> Pre-tax contribution to community giving for North America was restated in 2020 due to methodology changes.

<b>Performance Trends: Donations</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
Canada (in millions of dollars)	<b>92</b>	90	89
U.S. (in millions of U.S. dollars) <sup>1</sup>	<b>27</b>	29	27
Global Total (in millions of dollars) <sup>2</sup>	<b>125<sup>3</sup></b>	130	126

<sup>1</sup> Includes US\$23.0 million from the Office of Charitable and Community Giving in 2021.

<sup>2</sup> All amounts converted into Canadian dollars using Bank of Canada exchange rates.

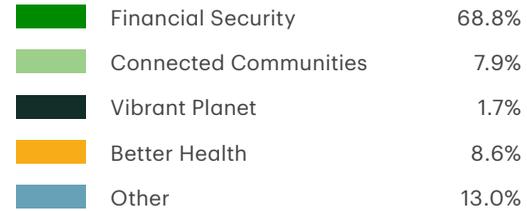
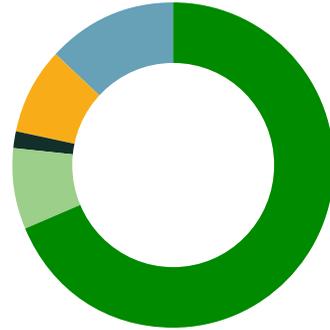
<sup>3</sup> Figures are disclosed in CAD Equivalent. Fiscal year 2021 total donations decreased as a result of decrease in Average NIBT (calculated as a percentage of 2021 total donations, divided by Average NIBT for the years 2016-2020) and fluctuations in fx rates. Contribution rate remains consistent with prior years and we continue to be on pace to achieve our target of \$1 billion in total by 2030.

**2021 Percentage Breakdown of Our Giving by TD Ready Commitment Driver<sup>1</sup>**

**Canada**



**U.S.**



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

**Detailed Breakdown by Program**

<b>TD Friends of the Environment Foundation</b>	<b>Units</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
Total donations	millions of dollars	3.98	3.47	5.20
Number of projects	No. of projects	551	479	605
<b>TD Charitable Foundation</b>				
Total donations	millions of U.S. dollars	20.46	23.74	21.80
<b>TD Bank Community Development Programs</b>				
Community development loans	billions of U.S. dollars	1.9	3.40 <sup>2</sup>	1.90
Tax credit programs and other investments for LMI individuals and families <sup>1</sup>	millions of U.S. dollars	384	479	459
<b>Affordable Housing</b>				
TD Charitable Foundation affordable housing donations	millions of U.S. dollars	7.19	5.87	2.71 <sup>3</sup>
Community development loans for LMI areas	millions of U.S. dollars	890	735	747
Number of units supported by community development loans	No. of units	7,389	7,393	6,818
Low-Income Housing Tax Credits	millions of U.S. dollars	327	418	378

<sup>1</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>2</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>3</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.



**2021 London Benchmarking Group (LBG) Community Investment Summary<sup>1</sup>**

Type of contribution	Total amount
Cash contributions <sup>2</sup>	118,921,969
Employee Time During Work Hours	626,249
In-Kind Investments	0
Total Program Management Costs	6,347,034
Total Value of Company Investment	125,895,253

<sup>1</sup> 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 an 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.

<sup>2</sup> Cash contributions include grants made by TD Bank (Canada) and the TD Charitable Foundation.

## 4.7 Customer Experience

### Legendary Customer Experience

PROGRESS ON GOAL					
Objective		2021 Target	Progress	2021 Result	2022 Target <sup>3</sup>
Deliver legendary customer service	Legendary Experience Index – TD Composite Score <sup>1</sup>	67.10	Met <sup>2</sup>	✓ <b>70.22</b>	69.96

<sup>1</sup> LEI is calculated by a third party based on independent customer experience surveys shared regularly with customers of the following segments: TD Canada Trust, TD Bank, TD Wealth, TD Insurance and TD Business Bank. The surveys ask customers to respond on a 10-point scale the extent to which they perceive their recent experience with TD to have been exceptional (70% weight) and, on the basis of that experience, how likely they would be to do additional business with TD should they have financial needs in the future (30% weight).

<sup>2</sup> See [page 68](#) of this report for additional context.

<sup>3</sup> Significant methodology changes for 2022 do not allow comparisons to previous years’ performance. Key changes include weighting changes for TDBFG, North American channels, TD Bank Digital, TDI, TD Wealth and Business Banking; program roll-up changes for TDCT Phone and TD Wealth; and sample trigger/volume changes for TDCT Branch, TDCT Phone, TDCT Digital, TD Bank Digital, TD Insurance and TD Wealth.

### Customer Complaint Resolution

Canada	2021	2020	2019
Number of problems referred to Canadian Personal Banking Customer Care	<b>19,694</b>	20,849 <sup>1</sup>	16,401
Number of customers who contacted the TD Senior Customer Complaints Office	<b>2,522</b>	4,309	4,380
Number of complaints requiring investigation by the TD Senior Customer Complaints Office	<b>1,603</b>	1,370	971
Percentage of complaints resolved by the TD Senior Customer Complaints Office <sup>2</sup> within 90 days (target 90%)	<b>89%<sup>5</sup></b>	96%	99%
Complaints investigated by the OBSI <sup>3</sup> and ADR Chambers Banking Ombuds Office <sup>4</sup>	<b>243</b>	216	246
Percentage of complaints investigated by the OBSI <sup>2</sup> and ADR Chambers Banking Ombuds Office <sup>4</sup> where the resolution differed from the TD Senior Customer Complaints Office	<b>5%</b>	6%	5%
U.S.			
Total number of complaints referred to the Chairman’s Service Center	<b>23,901<sup>6</sup></b>	17,778 <sup>7</sup>	19,300
Percentage of escalated customer complaints resolved by the Chairman’s Service Center within designated service level agreements (target 95%)	<b>98%</b>	97%	97%

<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> TD Senior Customer Complaints Office data includes Personal Banking, Business Banking, Fraud, Insurance and Wealth business lines (Canada).  
<sup>3</sup> Ombudsman for Banking Services and Investments.

<sup>4</sup> ADR Chambers Banking Ombuds Office is an external complaint body.

<sup>5</sup> Fiscal year 2021 figure decreased due to complaint volume growth and case complexity which can require additional time to complete fulsome investigations.

<sup>6</sup> In fiscal year 2021 complaints in the US increased by 34%. This increase is directly attributed to the success of capturing complaints resolved at first point of contact in U.S. stores. Additionally, closed-loop feedback (see footnote 7) resumed to a business-as-usual status after it was turned off at the onset of the COVID-19 pandemic. Customer Service remained the top concern in 2021 followed by account discrepancy/errors and credit reporting.

<sup>7</sup> In fiscal year 2020 complaints in the U.S. decreased 8%. The closed loop feedback (the practice of following up with customers) 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.



## 4.8 Product and Service Responsibility

### Three-Year Performance

Savings Plans	2021	2020	2019
Amount saved through automated savings plans (in billions) <sup>1</sup>	<b>\$6.9</b>	\$5.10	\$4.60
Payments facilitated by Canada Learning Bond (in millions) <sup>2</sup>	<b>\$14.1</b>	\$26.70	\$23.80
Financial Hardship Services			
Restructured loans (in millions) <sup>2</sup>	<b>\$38.00<sup>3</sup></b>	\$53.86	\$111.10
Number of Canadian customers helped through TD Helps <sup>2</sup>	<b>22,152<sup>4</sup></b>	52,746 <sup>5</sup>	15,487
Restructured troubled real estate assets (in millions USD)	<b>\$157.45</b>	\$11.08 <sup>6</sup>	\$114.90
Number of U.S. customers helped by restructured real estate assets	<b>568</b>	115 <sup>6</sup>	388

<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, we assisted customers who were experiencing financial hardship to provide advice and solutions through our extensive knowledge and experience in default management and credit restructuring of secured and unsecured products.

<sup>3</sup> Our overall volumes decreased due to the pandemic-related offers ending in 2021.

<sup>4</sup> TD Helps supported Canadian customers by offering long-term solutions such as mortgage refinance and deferrals through advice conversations focused on affordability and budgeting. We also introduced new solutions such as real estate interest only payments as well as one-year credit card relief program for shorter-term needs in fiscal 2021.

<sup>5</sup> The number of Canadian customers helped through TD Helps increased in 2020 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>6</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.

## 4.9 Diversity and Inclusion

### PROGRESS ON GOAL

Commitment <sup>1</sup>	Progress	2021 Result
Women in 45% of roles titled Vice President and above in Canada, by 2025 <sup>2</sup>	New goal	✅ 40.0%
Increase minority representation at executive levels across North America, achieving 25% Black, Indigenous and minority by 2025	On track	18.5%
Double the representation of Black executives at TD in North America by end of 2022	On track	95.5% <sup>3</sup>

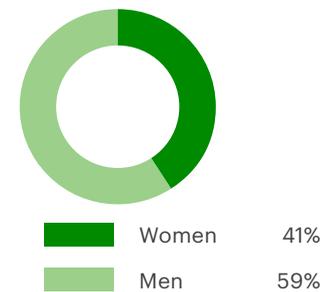
<sup>1</sup> All executive appointments include roles Vice President and above (VP+); this excludes non-titled TDBG officers. All commitments are relative to a July 31, 2020 baseline.

<sup>2</sup> Women in VP+ roles commitment is applicable to TDBG Canadian businesses.

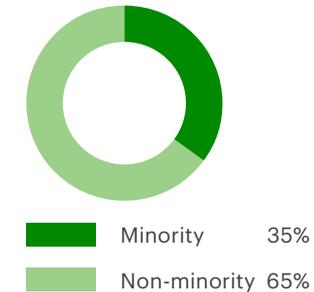
<sup>3</sup> Result reflects progress towards commitment.

### Total Executive Appointments<sup>1,2,3</sup>

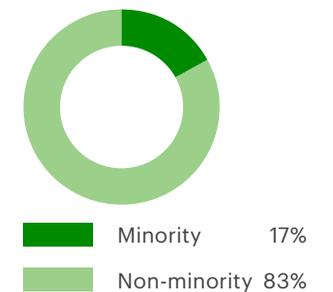
#### Global – Executive appointments by gender



#### Canada – Executive appointments by ethnicity



#### U.S. – Executive appointments by ethnicity



<sup>1</sup> Disclosure does not include non-binary genders as the data collected through self-identification reflects a small set of data, thus we have only disclosed women and men.

<sup>2</sup> Executive appointments include all promotions into Associate Vice President (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**

<b>WOMEN</b>			
<b>Global<sup>1</sup></b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
Women on Board (% of all Directors)	<b>40%</b>	38% <sup>13</sup>	36%
Overall	✓ <b>56.5%</b>	✓ 57.0%	✓ 56.9%
All management	<b>51.7%</b>	51.7%	– <sup>12</sup>
Top management <sup>2</sup>	<b>23.3%</b>	23.3%	25.0%
Senior management <sup>3</sup>	✓ <b>33.8%</b>	✓ 38.4%	✓ 36.8%
Middle management <sup>4</sup>	✓ <b>45.5%</b>	✓ 45.3%	✓ 45.0%
Junior management <sup>5</sup>	<b>54.3%</b>	54.8%	– <sup>12</sup>
Women in revenue-generating positions <sup>6</sup>	<b>45.9%</b>	45.1%	– <sup>12</sup>
<b>Canada<sup>7</sup></b>			
Overall	✓ <b>55.1%</b>	✓ 55.4%	✓ 55.4%
Senior management <sup>3</sup>	✓ <b>40.0%</b>	✓ 40.0%	✓ 38.2%
Middle management <sup>4</sup>	✓ <b>45.5%</b>	✓ 45.1%	✓ 44.7%
<b>U.S.<sup>8</sup></b>			
Overall	<b>61.0%</b>	61.3%	61.0%
Executives <sup>9,10</sup>	<b>25.0%</b>	24.5%	35.6%
First/mid-level managers <sup>11</sup>	<b>49.1%</b>	49.6%	50.2%

<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> Junior management is defined as people managers below AVP.  
<sup>6</sup> Jobs are classified based on the function most commonly performed in the role.  
<sup>7</sup> Includes all Canadian businesses and full-time and part-time employees, excluding those on LTD.  
<sup>8</sup> Includes TD Bank employees, excluding those on LTD.  
<sup>9</sup> EEO-1 Category A. This refers to executive/senior-level officials and managers.  
<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.  
<sup>11</sup> EEO-1 Category B. This refers to first/mid-level officials and managers.  
<sup>12</sup> The first year this data was disclosed was in 2020.  
<sup>13</sup> The fiscal year 2020 figure has been restated as it was incorrectly reported in 2020 as 42%, which represented women on Board as a percentage of Independent Directors.

<b>VISIBLE MINORITIES AND MINORITIES</b>				
Visible Minorities <sup>1</sup>	<b>Canada<sup>2</sup></b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
	Overall	✓ <b>40.3%</b>	✓ 39.2%	✓ 38.1%
	Senior management <sup>3</sup>	✓ <b>21.0%</b>	✓ 19.6%	✓ 17.6%
	Middle and other management <sup>4</sup>	✓ <b>41.9%</b>	✓ 40.0%	✓ 38.8%
Minorities <sup>1</sup>	<b>U.S.<sup>5</sup></b>			
	Overall	<b>37.6%</b>	36.9%	36.8%
	Executives <sup>6</sup>	<b>14.4%</b>	10.9%	16.8%
	First/mid-level managers <sup>7</sup>	<b>29.0%</b>	29.1%	28.4%
<b>INDIGENOUS PEOPLES<sup>1</sup></b>				
<b>Canada<sup>2</sup></b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	
Overall	✓ <b>1.2%</b>	✓ 1.5%	✓ 1.5%	
Senior management <sup>3</sup>	<b>1.1%</b>	1.1%	1.1%	
Middle and other management <sup>4</sup>	<b>1.0%</b>	1.1%	1.1%	
<b>PEOPLE WITH DISABILITIES<sup>1</sup></b>				
<b>Canada<sup>2</sup></b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	
Overall	✓ <b>8.8%</b>	✓ 8.0%	✓ 7.8%	
Senior management <sup>3</sup>	<b>5.9%</b>	6.1%	7.0%	
Middle and other management <sup>4</sup>	<b>8.4%</b>	7.4%	7.0%	

<sup>1</sup> Data is voluntarily disclosed by colleagues and therefore may not be reflective of the actual workforce.  
<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 Bank, America's Most Convenient Bank® employees, excluding those on LTD.  
<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>

Global Overall	2021	2020	2019 <sup>6</sup>
Women	✓ 56.5%	✓ 57.0%	-
Men	43.3%	42.7%	-
Senior management <sup>2</sup>			
Women	✓ 33.8%	✓ 38.4%	-
Men	65.9%	61.5%	-
Middle and other management <sup>3</sup>			
Women	✓ 45.5%	✓ 45.3%	-
Men	54.4%	54.6%	-
<b>Canada Overall</b>			
Women	✓ 55.1%	✓ 55.4%	-
Men	44.8%	44.4%	-
Senior management <sup>2</sup>			
Women	✓ 40.0%	✓ 40.0%	-
Men	59.8%	59.8%	-
Middle and other management <sup>3</sup>			
Women	✓ 45.5%	✓ 45.1%	-
Men	54.4%	54.8%	-
<b>U.S. Overall</b>			
Women	61.0%	61.3%	-
Men	38.6%	38.3%	-
Executive <sup>4</sup>			
Women	25.0%	24.6%	-
Men	74.0%	75.5%	-
First/mid-level managers <sup>5</sup>			
Women	49.1%	49.6%	-
Men	50.7%	50.2%	-

<sup>1</sup> Disclosure does not include non-binary genders as the data collected through self-identification reflects 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.

## 4.10 Talent Attraction, Development and Retention

### Employee by contract type<sup>1</sup>

	2021		2020		2021	2020
	Employees	Contractors	Employees	Contractors	Total	Total
Canada	65,480	3,269	63,800	2,693	68,749	66,493
U.S.	26,339	527	27,984	677	26,866	28,661
International	996	0	887	0	996	887
Global	92,815	3,796	92,671	3,370	96,611	96,041

### Workforce Profile<sup>2</sup>

(as at October 31, 2021)

CANADA				
Province or Territory <sup>3</sup>	Full-time	Part-time <sup>4</sup>	2021	2020
Alberta	3,411	701	4,112	4,102
British Columbia	3,216	1,007	4,223	4,274
Manitoba	421	125	546	564
New Brunswick	1,989	143	2,132	1,924
Newfoundland and Labrador	115	28	143	146
Northwest Territories	9	0	9	9
Nova Scotia	1,287	96	1,383	1,175
Ontario	41,957	5,111	47,068	45,847
Prince Edward Island	46	13	59	60
Quebec	4,272	1,034	5,306	5,162
Saskatchewan	402	80	482	519
Yukon	15	2	17	18
<b>Total Canada</b>	<b>57,140</b>	<b>8,340</b>	<b>65,480</b>	63,800

<sup>1</sup> The data, as of October 31, 2021, 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.



<b>U.S.</b>				
<b>State</b>	<b>Full-time</b>	<b>Part-time<sup>5</sup></b>	<b>2021</b>	<b>2020</b>
Connecticut	511	136	<b>647</b>	745
Delaware	401	16	<b>417</b>	453
District of Columbia	68	7	<b>75</b>	87
Florida	2,003	393	<b>2,396</b>	2,434
Maine	2,649	129	<b>2,778</b>	3,091
Maryland	193	23	<b>216</b>	220
Massachusetts	1,263	196	<b>1,459</b>	1,638
Michigan	425	4	<b>429</b>	462
New Hampshire	621	112	<b>733</b>	779
New Jersey	6,595	812	<b>7,407</b>	8,015
New York	3,570	685	<b>4,255</b>	4,471
North Carolina	280	15	<b>295</b>	285
Pennsylvania	852	215	<b>1,067</b>	1,142
Rhode Island	90	16	<b>106</b>	110
South Carolina	3,048	138	<b>3,186</b>	3,213
Texas	111	0	<b>111</b>	94
Vermont	214	15	<b>229</b>	253
Virginia	224	35	<b>259</b>	269
Other <sup>6</sup>	273	1	<b>274</b>	223
<b>Total U.S.</b>	<b>23,391</b>	<b>2,948</b>	<b>26,339</b>	27,984
<b>INTERNATIONAL</b>				
Total International	977	19	<b>996</b>	887
<b>Total</b>	<b>81,508</b>	<b>11,307</b>	<b>92,815</b>	92,671

<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>**

	<b>2021</b>	<b>2020</b>	<b>2019</b>
Employees who have worked at TD for more than 25 years	<b>5,937</b>	5,944	6,222
Job applicants in North America	<b>967,362</b>	884,101	1,069,791
Hiring manager interviews	<b>70,823</b>	47,731	69,662
Percentage of positions filled within TD (Canada and the U.S.)	<b>56.2%</b>	53.8%	49.1%
Number of hires (internal and external)	<b>41,160</b>	27,087	40,082
Percentage of women hired	<b>54.6%</b>	53.4%	51.9%
Percentage of women promoted in Canada <sup>2</sup>	<b>54.2%</b>	53.5%	56.7%

<sup>1</sup> Data reflects headcount rather than full-time equivalent.

<sup>2</sup> Figure represents the percentage of promotions earned by women in Canada.

**Global Training and Development**

	<b>2021</b>	<b>2020</b>	<b>2019</b>
Investing in training (millions) <sup>1,2</sup>	<b>\$79<sup>3</sup></b>	\$72.1 <sup>4</sup>	\$85.9
Investment in training per employee <sup>1,2</sup>	<b>\$851</b>	\$778	\$918
Amount employees received through TD's tuition assistance (millions)	<b>\$9.6</b>	\$6.7	\$9.6
Average number of days of training <sup>5</sup>	<b>7.3</b>	5.3 <sup>8</sup>	7.2
Average hours of training <sup>5</sup> per:			
Executive <sup>6,7</sup>	<b>23</b>	13 <sup>8</sup>	49
People manager <sup>6,7</sup>	<b>32</b>	27 <sup>8</sup>	46
Employee (non-manager) <sup>6,7</sup>	<b>61</b>	44 <sup>8</sup>	56

<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> Increase in investment in training in 2021 resulted from Enterprise Learning focus on key business transformation priorities including Next Evolution of Work, Contact Center as a Service, and Corporate Transformation and Operations evolution; colleague skill development in emerging capabilities; and leadership development. Investment in training may not capture all project or program costs incurred by the business.

<sup>4</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>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 fewer all-day sessions in fiscal year 2020.



**Employee Engagement**

PROGRESS ON GOAL						
Objective	2022 Target	2021 Target	Progress	2021 Result	2020 Result <sup>1</sup>	2019 Result <sup>2</sup>
Provide a great place to work	85%	84%	Met	✓ 84%	✓ 85%	✓ 84%

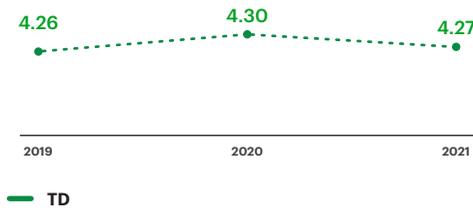
<sup>1</sup> Fiscal year 2020 target was 82%.  
<sup>2</sup> Fiscal year 2019 target was 82%.

**Employee Engagement Index**

	2021	2020	2019
Overall Experience <sup>1</sup>	✓ 84%	✓ 85%	✓ 84%
Women <sup>2</sup>	86%	86%	– <sup>3</sup>
Men <sup>2</sup>	84%	85%	– <sup>3</sup>

<sup>1</sup> Employee Engagement Index (EEI) is our measure of overall employee engagement and is calculated using the average response to the first three questions in the Pulse Survey Results table.  
<sup>2</sup> Disclosure does not include non-binary genders as the data collected through self-identification reflects a small set of data, thus we have only disclosed women and men.  
<sup>3</sup> The first year this data was calculated was in fiscal year 2020.

**Employee Engagement Index, Mean Score<sup>1</sup>**



<sup>1</sup> EEI is our measure of overall employee engagement and is calculated using the average response (on a scale of one to five) to the first three questions in the Pulse Survey Results table.

**Pulse Survey Results<sup>1</sup>**

	2021	2020	2019
EEI Composite:			
My work gives me a personal feeling of accomplishment	81%	81%	79%
I plan to be with TD one year from now	83%	86%	84%
I am proud to say I work for TD	89%	90%	88%
TD is doing the right things to make a positive impact on the communities in which it does business	88%	90%	89%
TD is doing the right things to make a positive impact on the environment (target 78%)	86%	88%	87%
TD supports employees' ambitions to get involved in corporate responsibility initiatives (e.g., community or environmental initiatives)	87%	89%	89%

<sup>1</sup> Percentage of respondents who agreed or strongly agreed with the statement.



**Employee Turnover**

Objective		2021 Results	2020 Results	2019 Results
Provide a great place to work	Average global turnover	<b>19.8%</b>	14.5%	18.5%

	2021 <sup>4</sup>			2020			2019
	Overall	Women	Men	Overall	Women	Men	Overall
Average global turnover rate	<b>19.8%</b>	<b>18.7%</b>	<b>19.9%</b>	14.5%	14.1%	14.8%	18.5%

Canada							
Voluntary <sup>1</sup>	✓ <b>14.7%</b>	<b>12.9%</b>	<b>15.8%</b>	✓ 10.2%	9.2%	11.2%	✓ 13.1%
Involuntary <sup>2</sup>	✓ <b>1.8%</b>	<b>1.5%</b>	<b>2.2%</b>	✓ 1.6%	1.2%	2.0%	✓ 2.0%
Retirement	✓ <b>1.3%</b>	<b>1.6%</b>	<b>0.8%</b>	✓ 1.1%	1.5%	0.6%	✓ 1.1%
<b>Total<sup>3</sup></b>	✓ <b>17.8%</b>	<b>15.9%</b>	<b>18.8%</b>	✓ 12.8%	11.9%	13.7%	✓ 16.2%

U.S.							
Voluntary <sup>1</sup>	✓ <b>19.7%</b>	<b>19.8%</b>	<b>18.8%</b>	✓ 14.4%	14.7%	14.0%	✓ 17.8%
Involuntary <sup>2</sup>	✓ <b>4.1%</b>	<b>4.0%</b>	<b>4.2%</b>	✓ 3.1%	3.1%	3.1%	✓ 5.2%
Retirement	✓ <b>0.9%</b>	<b>1.1%</b>	<b>0.5%</b>	✓ 0.7%	0.7%	0.6%	✓ 0.7%
<b>Total<sup>3</sup></b>	✓ <b>24.6%</b>	<b>24.8%</b>	<b>23.5%</b>	✓ 18.3%	18.5%	17.8%	✓ 23.7%

<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.  
<sup>4</sup> Voluntary attrition rates have increased through FY21 as pent-up movement from FY20 has been released and tighter conditions in both the U.S. and Canadian labour markets continue. While customer and colleague experience metrics continue to be very strong, enterprise-wide and business-specific strategies are being put in place to help support our talent pipeline.

# 4.11 Health and Well-being

## Workplace Health and Safety<sup>1</sup>

	2021	2020	2019
Canada			
Minor injuries <sup>2</sup>	<b>162 (0.25%)</b>	207 (0.32%)	402 (0.62%)
Disabling injuries <sup>3</sup>	<b>214 (0.33%)</b>	121 (0.19%)	172 (0.27%)
Employee days absent beyond day of injury <sup>4</sup>	<b>3,212</b>	1,367	2,140
Fatalities due to work-related accidents	<b>0</b>	0	0
U.S.			
Medical/report only claims filed through workers' compensation <sup>5</sup>	<b>344</b>	312	397
Indemnity claims filed through workers' compensation	<b>11</b>	39	58
Employee days absent beyond day of injury	<b>523</b>	757 <sup>4</sup>	2,912
Fatalities due to work-related accidents	<b>0</b>	0	0
North America			
Absentee rate <sup>6</sup>	✓ <b>2.4%<sup>7,8,9</sup></b>	2.6%	2.0%

<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. 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>3</sup> Injuries that result in lost time in the workplace on any day following the injury for each of the years shown. 2021 figure includes 152 work related COVID-19 instances. 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>4</sup> In 2021, 70% of total lost time was due to COVID-19 related absences. Overall, time lost due to disabling accidents (excluding COVID-19) in the workplace have decreased as greater number of employees working from home.  
<sup>5</sup> Workers compensation claims that require no lost time and/or no activity other than generating a report.  
<sup>6</sup> Represents the number of, or our calculated estimate of the number of, employee days taken due to minor illnesses or workplace injury, and personal days taken, as reported in our online time reporting system divided by the average full-time equivalent hours for each region. 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 North American absentee rate is inclusive of unplanned short-term absences related to COVID-19 (for example, self-isolation). The absentee rate excludes planned absences related to additional time-off provided to employees during 2021 (e.g., TD Total Well-being Day). The absentee rate also excludes permitted leave absences such as holidays, study, maternity or paternity leave, and compassionate leave.  
<sup>8</sup> For Canada, data was pulled directly from our online time reporting system. The data in this system (absent hours and absence reason) is entered by the employee. For TD Insurance-General Insurance employees only, their People Managers' approval is also required on the online time reporting system.  
<sup>9</sup> For the U.S. (30.66% of the weighted average), an estimation was used that 24% of paid time off represents sick days and personal days taken. U.S. days lost due to workplace injury are estimated by an external vendor responsible for managing all workplace injury absences, based on the total number of claims through the fiscal year. The balance of the U.S. portion of the Absentee Rate was composed of unplanned absences related to COVID-19 and was calculated using employee entries in the online time reporting system.



# 2021 SASB Index

SASB Disclosure	Accounting Metric	2021 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 33 of the TD's <a href="#">2021 Annual Report</a> (AR) (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="#">2021-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="#">2021-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 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 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 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	2021 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 208 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 23</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="#">2021-Q4 Supplementary Regulatory Disclosure</a>
FN-CB-550a.1 FN-IB-550a.1	Global Systemically Important Bank (G-SIB) score, by category	<p><a href="#">G-SIB Disclosure Template</a></p> <p>Page 28 of <a href="#">2021 Q1 Quarterly Results Report to Shareholders</a> (Table 24: G-SIB Indicators)</p>
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	2021 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 208 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 30</a> and <a href="#">page 86</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)</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 30</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	2021 Disclosure
FN-CF-220a.2	Total amount of monetary losses as a result of legal proceedings associated with customer privacy	<p>Page 208 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 208 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>
FN-AC-270a.3 FN-IN-270a.4	Description of approach to informing customers about products and services	<p><a href="#">Page 71</a> of this report (Educating Our Customers with Clear Language and Communication)</p> <p><a href="#">Codes of Conduct and Public Commitments</a></p>



SASB Disclosure	Accounting Metric	2021 Disclosure
<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	<p>Page 208 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.</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>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	<p>Page 208 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.</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>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	<p>Page 53 of the <a href="#">AR</a> – Table 29: Average LTV for uninsured newly originated and newly acquired residential mortgages</p> <p>Page 39 of <a href="#">2021 Q4 Quarterly Results Presentation</a> (U.S. Real Estate Secured Lending Portfolio – Indexed LTV Distribution and Refreshed FICO Scores)</p> <p>TD does not disclose the breakdown by minorities or FICO score, and the number of mortgages.</p>
FN-MF-270b.2	Total amount of monetary losses as a result of legal proceedings associated with discriminatory mortgage lending	<p>Page 208 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>



SASB Disclosure	Accounting Metric	2021 Disclosure
FN-MF-270b.3	Description of policies and procedures for ensuring non-discriminatory mortgage origination	<a href="#">Page 72</a> of this report (Product and Service Responsibility – Protecting Our Customers) <a href="#">TD Code of Conduct and Ethics</a> <a href="#">TD Human Rights Statement</a>
<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	<a href="#">Page 97</a> of this report (Economic Value – Small Business Loans) <a href="#">Page 97</a> of this report (Social Inclusion – Community Development Loans)
FN-CB-240a.3	Number of no-cost retail checking accounts provided to previously unbanked or underbanked customers	Page 6 of the <a href="#">Public Accountability Statement (Access to Banking)</a> TD does not disclose the number of no-cost retail checking accounts.
FN-CB-240a.4	Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers	<a href="#">Page 96</a> of this report (Financial and Economic Inclusion – Number of participants in TD-sponsored financial education programs) <a href="#">Page 96</a> of this report (Financial and Economic Inclusion – Number of financial education classes in LMI communities in the U.S. and number of attendees) TD does not disclose the number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers.
<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	<a href="#">Page 47</a> of this report (Sustainable Finance – Investing) TD does not disclose amount of assets under management by asset class.
FN-AC-410a.2	Description of approach to incorporation of ESG factors in investment and/or wealth management processes and strategies	<a href="#">Page 47</a> of this report (Sustainable Finance – Investing) <a href="#">TDAM Sustainable Investing Approach</a>
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> <a href="#">TDAM Proxy Voting Guidelines</a>
<b>Incorporation of ESG Factors in Credit Analysis</b>		
FN-CB-410a.1	Commercial and industrial credit exposure, by industry	Page 40 of the <a href="#">TD's 2021 Climate Action Plan: Report on Progress and Update on TCFD (CAP) (Climate Risk Inventory, heatmapping framework)</a>
FN-CB-410a.2	Description of approach to incorporation of ESG factors in credit analysis	Page 40 of <a href="#">TD's CAP (Climate Risk Inventory, heatmapping framework)</a> Page 52 of <a href="#">TD's CAP (Carbon-related assets to total assets)</a> <a href="#">Page 46</a> of this report (Lending – Environmental and Social Due Diligence, Equator Principles) <a href="#">Page 92</a> of this report (Sustainable Finance – E&S Risk Review, Equator Principles) Environmental and Social Lending Risk Process



SASB Disclosure	Accounting Metric	2021 Disclosure
<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	<p><a href="#">Page 45</a> of this report (Sustainable Finance – Lending)</p> <p><a href="#">Page 44</a> of this report (Sustainable Finance – GSS Bonds – Underwriting)</p> <p>TD does not disclose the number of investments and loans incorporating integration of ESG factors by industry.</p>
FN-IB-410a.3	Description of approach to incorporation of ESG factors in investment banking and brokerage activities	<p><a href="#">Page 45</a> of this report (Lending)</p> <p><a href="#">Page 44</a> of this report (Sustainable Debt Financing)</p> <p><a href="#">Page 92</a> of this report (Sustainable Finance – E&amp;S Risk Review)</p>
<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)	<p>See page 197 of the <a href="#">AR</a> – Note 22: Insurance.</p> <p>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.</p>
<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	<p><a href="#">Principles for Sustainable Insurance – Annual Disclosure 2021</a></p> <p><a href="#">Page 43</a> of this report (Climate Change – Hybrid and Electric Vehicles insurance and examples of other insurance products)</p>
<b>Employee Incentives &amp; Risk Taking</b>		
FN-IB-550b.1	Percentage of total remuneration that is variable for Material Risk Takers (MRTs)	Pages 69–70 of the <a href="#">2022 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 67–68 of the <a href="#">2022 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	<p>Page 153 of the <a href="#">AR</a> – Note 5: Fair Value Measurements – Valuation Governance</p> <p>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</p>
<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	<p><a href="#">Pages 100–102</a> (breakdown of our global workforce numbers and diversity metrics), <a href="#">page 85</a> (Board diversity) and <a href="#">page 102</a> (TD’s workforce profile for age and employee category) of this report.</p>
FN-IB-330a.1		



# Endnotes

<sup>1</sup> Defined by the United Nations Framework Convention on Climate Change (“UNFCCC”) in <https://unfccc.int/documents/226460> as the just transition of the workforce and the creation of decent work and quality jobs in accordance with nationally defined development priorities.

<sup>2</sup> As such term is used for securities law purposes.

<sup>3</sup> <https://www150.statcan.gc.ca/n1/pub/45-28-0001/2021001/article/00022-eng.htm>; <https://www.reuters.com/business/us-economys-hot-vax-summer-ends-cool-covid-fall-delta-rises-2021-09-03/>

<sup>4</sup> <https://www.td.com/us/en/about-us/communities/ready-commitment/funding-opportunities/ready-challenge/>

<sup>5</sup> For a period of more than 150 years, First Nations, Inuit and Métis Nation children were taken from their families and communities to attend schools which were often located far from their homes. More than 150,000 children attended Indian Residential Schools. In 1920, the Indian Act made attendance at Indian Residential Schools compulsory for Treaty-status children between the ages of 7 and 15: <https://nctr.ca/education/teaching-resources/residential-school-history/>

<sup>6</sup> [https://economics.td.com/domains/economics.td.com/documents/reports/ff/A\\_Just\\_Transition\\_for\\_Energy\\_Workers.pdf](https://economics.td.com/domains/economics.td.com/documents/reports/ff/A_Just_Transition_for_Energy_Workers.pdf)

<sup>7</sup> <https://unfccc.int/process-and-meetings/the-paris-agreement/the-paris-agreement>

<sup>8</sup> [https://unfccc.int/sites/default/files/resource/cma2021\\_L16\\_adv.pdf](https://unfccc.int/sites/default/files/resource/cma2021_L16_adv.pdf); <https://www.ctvnews.ca/climate-and-environment/what-did-canada-sign-on-for-at-cop26-1.5666950>; <https://www.bbc.com/news/world-59277788>

<sup>9</sup> <https://www.valuereportingfoundation.org/news/ifrs-foundation-announcement/>

<sup>10</sup> <https://www.ifrs.org/news-and-events/news/2021/11/ifrs-foundation-announces-issb-consolidation-with-cdsv-vrf-publication-of-prototypes/>

<sup>11</sup> <https://www.reuters.com/business/finance/money-managers-face-greenwashing-scrutiny-sustainable-funds-flourish-2021-11-02/>

<sup>12</sup> Ibid.

<sup>13</sup> <https://www.cfainstitute.org/en/ethics-standards/codes/esg-standards>

<sup>14</sup> <https://www.bloomberg.com/news/articles/2021-10-20/eu-asset-managers-face-minimum-standard-for-light-green-funds>

<sup>15</sup> <https://www.refinitiv.com/perspectives/future-of-investing-trading/top-6-esg-investing-trends-in-2021/>

<sup>16</sup> <https://www.weforum.org/projects/biodiversity-finance-internalize-the-externality>

<sup>17</sup> <https://tnfd.global/>

<sup>18</sup> <https://www.oilsandspathways.ca/#alliance>

<sup>19</sup> Except as otherwise expressly provided, the terms “material” and “materiality”, as used in the context of ESG reporting by TD, are not equivalent to similar terms used for securities law purposes, and should not be read as rising to the level of materiality of disclosure required in our securities law filings.

<sup>20</sup> Ibid.

<sup>21</sup> Ibid.

<sup>22</sup> Ibid.

<sup>23</sup> As permitted by the laws and regulations of the jurisdictions in which we operate.

<sup>24</sup> “Visible minority” is defined as non-Caucasian in race or non-white in colour, other than an Indigenous person.

<sup>25</sup> “Indigenous person” is defined as First Nations, Inuit, Métis, American Indian, Alaska Native, Native Hawaiian or other.

<sup>26</sup> “LGBTQ2+” is defined as a member of the lesbian, gay, bisexual, transgender, queer, two-spirit, or plus community.

<sup>27</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>28</sup> As such term is used for securities law purposes.

<sup>29</sup> Ibid.

<sup>30</sup> Physical risks are those related to the impacts of a changing climate, including changes in frequency or severity of extreme weather events, rising sea levels and temperatures.

<sup>31</sup> Transition risks are those related to impacts associated with legal, regulatory, technological or behavioural changes resulting from the transition to a lower-carbon economy.

<sup>32</sup> <https://www.fsb-tcfd.org/supporters/>

<sup>33</sup> Refer to the 2021 Performance Data section on [page 92](#) for information on 2021 EP projects.

<sup>34</sup> As such term is used for securities law purposes

<sup>35</sup> The Cyber Risk Institute (CRI) is a not-for-profit coalition of financial institutions and trade associations working to protect the global economy by enhancing cybersecurity and resiliency through standardization. The CRI Cyber Profile tool is the benchmark for cyber security and resiliency in the financial services industry. Assessment questions are selected based on the intersection of global regulations and cyber standards, such as International Organization for Standardization (ISO) and National Institute of Standards and Technology (NIST).

<sup>36</sup> <https://www.isc2.org/-/media/ISC2/Research/2019-Cybersecurity-Workforce-Study/ISC2-Cybersecurity-Workforce-Study-2019.ashx?la=en&hash=1827084508A24DD75C60655E243EAC59ECDD4482>

<sup>37</sup> Toronto Finance International (TFI) is a public-private partnership between Canada’s largest financial services institutions and the government.

<sup>38</sup> Executive Women’s Forum (EWF) is the first and largest membership organization for women in information security, risk management & privacy.

<sup>39</sup> Challenge is an assessment of TD departments’ policies against current Privacy laws and regulations.

<sup>40</sup> <https://www.un.org/en/chronicle/article/climate-change-arctic-inuit-reality>; <https://stories.td.com/us/en/article/td-commits-to-ambitious-climate-action-plan-and-targets-net-zero-emissions-by-2050#>

<sup>41</sup> <https://www.un.org/press/en/2021/sgsm20847.doc.htm>; <https://www.ipcc.ch/report/ar6/wg1/>; [https://www.ipcc.ch/site/assets/uploads/2021/08/IPCC\\_WGI-AR6\\_Press-Release\\_en.pdf](https://www.ipcc.ch/site/assets/uploads/2021/08/IPCC_WGI-AR6_Press-Release_en.pdf); <https://www.bankofcanada.ca/2019/11/researching-economic-impacts-climate-change/>

<sup>42</sup> <https://unfccc.int/process-and-meetings/the-paris-agreement/the-paris-agreement>

<sup>43</sup> Carbon neutrality is achieved whenby reducing GHG emissions to the greatest extent possible, followed by compensating GHG emissions emitted to the atmosphere are compensated through preventing the release of an equivalent amount of GHG emission elsewhere in the world.

<sup>44</sup> Net-zero is achieved by reducing GHG emissions to the greatest extent possible, followed by balancing any residual GHG emissions through removing an equivalent amount of greenhouse gases from the atmosphere.

<sup>45</sup> [https://economics.td.com/domains/economics.td.com/documents/reports/ff/A\\_Just\\_Transition\\_for\\_Energy\\_Workers.pdf](https://economics.td.com/domains/economics.td.com/documents/reports/ff/A_Just_Transition_for_Energy_Workers.pdf)

<sup>46</sup> Scope 1 GHG emissions include direct emissions from heating and cooling, leased aircraft and corporate fleet. Scope 2 GHG emissions include indirect emissions for 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>47</sup> <https://www.iif.com/Portals/0/Files/content/Regulatory/USCWG%20Principles%20vFinal.pdf>

<sup>48</sup> <https://smith.queensu.ca/centres/isf/pdfs/ISF-CapitalMobilizationPlan-Refresh.pdf>

<sup>49</sup> <https://www.td.com/document/PDF/economics/special/NaturalCapital.pdf>

<sup>50</sup> For more information on the methodology used to calculate TD’s contribution and impact assessment, see the [Low-Carbon Economy Progress Report](#).

<sup>51</sup> The GHG emissions avoided (tCO2e) and the economic impact in terms of jobs and GDP, was calculated where data was available.

<sup>52</sup> Ibid.

<sup>53</sup> For more information on the methodology used to calculate TD’s contribution and impact assessment, see the [Low-Carbon Economy Progress Report](#).

<sup>54</sup> [https://institute.smartprosperity.ca/sites/default/files/Report\\_CE\\_Innovation.pdf](https://institute.smartprosperity.ca/sites/default/files/Report_CE_Innovation.pdf); <https://www.list.lu/en/news/towards-the-transition-to-a-circular-economy-through-clean-technologies/>

<sup>55</sup> Our cleantech activities are described in further detail on page 23 of the [2019 ESG report](#) and page 41 of the [2020 ESG report](#).

<sup>56</sup> <http://www.ibc.ca/on/resources/media-centre/media-releases/severe-weather-in-2021-caused-2-1-billion-in-insured-damage>



# Endnotes

- <sup>57</sup> <https://www.cbc.ca/news/canada/british-columbia/bc-heat-dome-sudden-deaths-revised-2021-1.6232758>
- <sup>58</sup> According to the IPCC, climate models forecast more extreme weather events as a result of climate change. However, it is difficult for a particular weather event to be directly attributed to climate change. IPCC, 2018 Chapter 3 - Impacts of 1.5°C global warming on natural and human systems. In: Global warming of 1.5°C. An IPCC Special Report on the impacts of global warming of 1.5°C above pre-industrial levels and related global greenhouse gas emission pathways, in the context of strengthening the global response to the threat of climate change, sustainable development, and efforts to eradicate poverty. [V. Masson-Delmotte, P. Zhai, H. O. Pörtner, D. Roberts, J. Skea, P.R. Shukla, A. Pirani, W. Moufouma-Okia, C. Péan, R. Pidcock, S. Connors, J. B. R. Matthews, Y. Chen, X. Zhou, M. I. Gomis, E. Lonnoy, T. Maycock, M. Tignor, T. Waterfield (eds.)]. In Press.
- <sup>59</sup> <https://www.climateproof.ca/>
- <sup>60</sup> <https://www.canada.ca/en/environment-climate-change/services/climate-change/expert-panel-sustainable-finance.html>
- <sup>61</sup> <https://www.canada.ca/en/department-finance/news/2021/05/canada-launches-sustainable-finance-action-council.html>
- <sup>62</sup> By the end of October 2021.
- <sup>63</sup> Eligible Assets are considered to be “financed” from the net proceeds of a Sustainable Bond when the relevant Eligible Asset is financed after the Sustainable Bond’s issuance. Eligible Assets are considered to be “refinanced” from the net proceeds of a Sustainable Bond when the relevant Eligible Asset was financed before the Sustainable Bond’s issuance. Accordingly, net proceeds raised through the issuance of Sustainable Bonds under the Framework can be used to finance new Eligible Assets or to refinance existing Eligible Assets.
- <sup>64</sup> Reflects the apportioned-value of lead-managed green, social, sustainability, and sustainability-linked bonds and the committed value of sustainability-linked loans underwritten by TD Securities.
- <sup>65</sup> <https://www.undp.org/sustainable-development-goals>
- <sup>66</sup> A high rating indicates five globes and an above average rating indicates four globes.
- <sup>67</sup> Sustainability Rating as of October 31, 2021. Morningstar’s Sustainability Score incorporates Sustainability company and country-level analysis
- <sup>68</sup> © 2021 Morningstar. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results.
- <sup>69</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>70</sup> Transition risks are those related to impacts associated with legal, regulatory, technological or behavioural changes resulting from the transition to a lower-carbon economy. Physical risks are related to the damage to buildings from extreme weather events as a consequence of climate change.
- <sup>71</sup> <https://www.un.org/development/desa/en/news/population/world-population-prospects-2019.html>
- <sup>72</sup> Some of the data is assured annually. For more information, see our [Assurance statement for the 2021 ESG Metrics, Greenhouse Gas Emissions and Carbon Neutral Schedule](#).
- <sup>73</sup> Carbon neutrality is achieved whenby reducing GHG emissions to the greatest extent possible, followed by compensating GHG emissions emitted to the atmosphere are compensated through preventing the release of an equivalent amount of GHG emission elsewhere in the world.
- <sup>74</sup> As a result of COVID-19, single-use plastics may still be necessary for a short period in order to protect the health and safety of TD colleagues 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>75</sup> <https://www.mckinsey.com/industries/public-and-social-sector/our-insights/the-case-for-inclusive-growth>
- <sup>76</sup> <http://td.mediaroom.com/2021-10-19-1-In-3-Canadian-Parents-Surveyed-Arent-Confident-Theyre-Setting-a-Healthy-Financial-Example-for-Their-Kids>
- <sup>77</sup> <https://stories.td.com/us/en/article/despite-increased-financial-awareness-due-to-covid-19-saving-continues-to-be-a-major-challenge-for-americans-td-bank-survey-finds>
- <sup>78</sup> Financial health is the extent to which individuals are able to comfortably meet their financial needs and commitments now and in the future.
- <sup>79</sup> <http://td.mediaroom.com/2021-10-19-1-In-3-Canadian-Parents-Surveyed-Arent-Confident-Theyre-Setting-a-Healthy-Financial-Example-for-Their-Kids>
- <sup>80</sup> <https://www150.statcan.gc.ca/n1/pub/45-28-0001/2021001/article/00022-eng.htm>; <https://www.reuters.com/business/us-economys-hot-vax-summer-ends-cool-covid-fall-delta-rises-2021-09-03/>
- <sup>81</sup> TD Bank received the highest score in the South Region of the J.D. Power 2019 and 2021 U.S. Small Business Banking Satisfaction Studies of small business owners’ satisfaction with their primary business bank. Visit [jdpower.com/awards](http://jdpower.com/awards) for more details.
- <sup>82</sup> <https://smallbusinessmajority.org/our-research/access-capital/small-businesses-struggling-access-capital-harming-their-financial-recovery>; <https://occ.ca/wp-content/uploads/COVID19-Policy-Brief-Access-to-capital-final.pdf>; <https://www.uschamber.com/co/run/business-financing/business-financing-challenges>
- <sup>83</sup> <https://economics.td.com/business-america-small>
- <sup>84</sup> <https://www.cdc.gov/coronavirus/2019-ncov/community/health-equity/race-ethnicity.html>; <http://www.ohrc.on.ca/en/policy-statement-human-rights-based-approach-managing-covid-19-pandemic>
- <sup>85</sup> <https://www.aspeninstitute.org/blog-posts/the-covid-19-eviction-crisis-an-estimated-30-40-million-people-in-america-are-at-risk/>
- <sup>86</sup> <https://www.tvonews.com/news/theres-so-much-fear-toronto-renters-worried-about-eviction-during-covid-19>
- <sup>87</sup> To be eligible for our Supplier Diversity Program, a supplier must be certified by a diversity certification council as any of the following: 51% owned and operated business from the Indigenous community, 51% minority-owned and operated business, 51% Women-owned and operated business; 51% LGBTQ2+ -owned and operated business, 51% Owned and operated by a member of other recognized diverse communities (e.g., Persons with Disabilities, Service-Disabled Veteran-owned and Veterans).
- <sup>88</sup> Tier 1 suppliers are TD’s direct suppliers. Tier 2 suppliers are suppliers within TD’s direct supplier’s supply chain.
- <sup>89</sup> According to a 2020 survey conducted by Salesforce Research, approximately 80% of the 15,600 consumers and business buyers surveyed globally responded that the experience a company provides is as important as its products and services. [https://www.salesforce.com/content/dam/web/en\\_us/www/documents/research/salesforce-state-of-the-connected-customer-4th-ed.pdf](https://www.salesforce.com/content/dam/web/en_us/www/documents/research/salesforce-state-of-the-connected-customer-4th-ed.pdf) (pg. 27); <https://www.salesforce.com/resources/articles/customer-expectations/>
- <sup>90</sup> Details regarding the Industry Review: Bank Complaint Handling Procedures can be found on the following Government of Canada website: <https://www.canada.ca/en/financial-consumer-agency/programs/research/banks-complaints-handling-procedures.html>
- <sup>91</sup> This increase is directly attributed to the success of capturing complaints resolved at first point of contact in U.S. stores. Additionally, closed-loop feedback (the practice of following up with customers) resumed to a business-as-usual status after it was turned off at the onset of the COVID-19 pandemic to allow our employees to concentrate on helping customers on the front lines.
- <sup>92</sup> TD internally launched the #BeLegendary program in 2019 to promote excellence and operationalize the right behaviours to consistently deliver on the needs of our customers.
- <sup>93</sup> See page 65 of the [2020 ESG Report](#) for digital initiatives launched in the previous year.
- <sup>94</sup> <https://www.celent.com/insights/932740024>
- <sup>95</sup> Discovery Self Serve, launched in 2020, is available on TD’s website and empowers users to receive a list of recommended products based on their needs by answering a few questions; users can act on the recommendations online or digitally book an appointment to speak with an advisor.
- <sup>96</sup> <https://www.securities-administrators.ca/resources/client-focused-reforms/>
- <sup>97</sup> Redlining is a form of illegal disparate treatment in which a bank provides unequal access to credit, or unequal terms of credit, because of the race, color, national origin, or other prohibited characteristic(s) of the residents of the area in which the credit seeker resides or will reside or in which the residential property to be mortgaged is located. Redlining may violate both the Fair Housing Act and the Equal Credit Opportunity Act. Source: [Office of the Comptroller of the Currency Fair Lending Handbook](#).
- <sup>98</sup> Reverse redlining is the illegal practice of extending credit on unfair terms in a particular community on a discriminatory basis: Merriam-Webster dictionary definition
- <sup>99</sup> For more information on TD’s implementation of the Seniors Code, refer to page 17 of the [2021 Public Accountability Statement](#).
- <sup>100</sup> [https://www.mckinsey.com/-/media/mckinsey/business%20functions/organization/our%20insights/delivering%20through%20diversity/delivering-through-diversity\\_full-report.ashx](https://www.mckinsey.com/-/media/mckinsey/business%20functions/organization/our%20insights/delivering%20through%20diversity/delivering-through-diversity_full-report.ashx)
- <sup>101</sup> <https://www.mckinsey.com/-/media/mckinsey/featured%20insights/diversity%20and%20inclusion/diversity%20wins%20how%20inclusion%20matters/diversity-wins-how-inclusion-matters-vf.pdf>; <https://www.mckinsey.com/industries/public-and-social-sector/our-insights/the-case-for-inclusive-growth>
- <sup>102</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. We are also focused on providing educational resources to our colleagues on the past and living history of Indigenous Peoples in Canada to support their learning journey.
- <sup>103</sup> <https://www.weforum.org/agenda/2021/09/heres-how-to-retain-employees-during-the-great-resignation/>
- <sup>104</sup> Increase in investment in training in 2021 is resulting from Enterprise Learning focus on key business transformation priorities including Next Evolution of Work, Contact Center as a Service, and Corporate Transformation and Operations evolution; colleague skill development in emerging capabilities; and leadership development. Investment in training may not capture all project or program costs incurred by the business.
- <sup>105</sup> Voluntary attrition rates have increased through fiscal year 2021 as pent-up movement from fiscal year 2020 has been released and tighter conditions in both the U.S. and Canadian labour markets continue. While customer and colleague experience metrics continue to be very strong, enterprise-wide and business specific strategies are being put in place to help support our talent pipeline.



# 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>EI</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

This document is not required to be prepared or filed by the Bank (as defined in this document) under Canadian or U.S. securities laws, and the information contained herein should not be read as necessarily rising to the level of materiality of disclosure required in our securities law filings.

In addition, from time to time, 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 regarding the Bank’s financial performance objectives, vision and strategic goals and the Bank’s social, economic, environmental and governance-related impacts and objectives, including the Bank’s greenhouse gas (GHG) emission reduction targets and the Bank’s position on Thermal Coal. 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 pandemics, including 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 activity; 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 and new entrants (including Fintechs and big technology competitors); shifts in consumer attitudes and disruptive technology; 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 (including climate change); and the occurrence of natural and unnatural catastrophic events and claims resulting from such events. Further information on the assumptions, risks, uncertainties and other factors affecting the Bank’s GHG emissions targets and the Bank’s position on Thermal Coal may be found here: [Cautionary Statement Regarding Disclosure on Emission Targets](#) and [Cautionary Statement Regarding Thermal Coal Position](#).

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 2021 Management’s Discussion and Analysis (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 heading “Significant Acquisitions” or “Significant and Subsequent Events and Pending Acquisitions” in the relevant MD&A, which applicable releases may be found on [www.td.com](http://www.td.com). All such factors, as well as other uncertainties and potential events, and the inherent uncertainty of forward-looking statements, should be considered carefully when making decisions with respect to the Bank. 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 2021 MD&A under the headings “Economic Summary and Outlook” and “The Bank’s Response to COVID-19”, under the headings “Key Priorities for 2022” and “Operating Environment and Outlook” for the Canadian Retail, U.S. Retail, and Wholesale Banking segments, and under the heading “Focus for 2022” for the Corporate segment, 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.

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