

Sustainability Reporting Details

Details of TD's Materiality¹ Assessment Process and Approach to Stakeholder Engagement

The materiality assessment process of The Toronto-Dominion Bank and its subsidiaries (collectively referred to as "TD", the "Bank", "we" and "our") is in accordance with the Global Reporting Initiative (GRI).² We review and, if appropriate, update our material topics every year so that they reflect our changing business and external landscapes. To employ a dynamic materiality approach, we leverage a third-party analytics platform to monitor and identify emerging trends as well as trends in our material topics. This process helps us prioritize sustainability-related issues on which to report and helps validate and inform our strategies.

We conducted our most recent comprehensive materiality assessment in 2022. This assessment was based on the GRI's principle of double materiality. We therefore considered topics from two perspectives: the potential impact of the topic on TD's business (i.e., potential risks and opportunities the topics pose to our business) and the degree to which TD's business activities have the potential to have an impact externally (i.e., on the economy, environment, and/or society).

Our 2022 comprehensive materiality assessment included input from key stakeholders, including customers, colleagues, investors, suppliers, communities, NGOs and industry associations, on their priorities and concerns. We also leveraged our third-party analytics platform that incorporates a broad range of external sources to inform the analysis, including corporate annual filings, voluntary policy initiatives, news and media.

Our 2023 monitoring revealed no significant departures from our 2022 materiality assessment results; as such, this year's Sustainability Report addresses those material topics identified from our 2022 assessment. However, as reflected in the matrix within the Sustainability Report, we recategorized consumer protection and customer experience as governance topics and noted that the topic of sourcing has both social and environmental components. The final result of our materiality assessment is provided on page 15 of the [2023 Sustainability Report](#).

TD's 2022 Comprehensive Materiality Assessment

Our assessment process was facilitated by a third-party sustainability consultant and followed three phases:

Phase One: Topic Identification	Phase Two: Assessing Impacts	Phase Three: Topic Prioritization
Mapped the landscape of potential material ESG topics for TD through broad-based desktop research, industry benchmarking, and analyses by a third-party analytics platform.	Assessed the inward impacts on our business and outward impacts by our business using insights gathered through interviews with over 50 internal leaders and approximately 20 external stakeholder groups, workshops, TD's own corporate sources, and analyses by a third-party analytics platform on external sources. Internal and external interviewees and workshop participants identified and ranked ESG topics by level of impact, considering inward and outward risks, opportunities, and influence.	Scored ESG topics quantitatively based on level of impact. ESG material topics were prioritized on an impact matrix according to scores. The results were validated with senior corporate and business executives from across TD. TD's 2022 materiality assessment results were further reviewed by our ESG SET Forum and the Board of Director's Corporate Governance Committee. Following reviews and validation, results were approved by the Senior Vice President, Sustainability and Corporate Citizenship.

Based on the 2022 materiality assessment results, we organized our priority ESG topics into three groups: "key impact areas" (topics where TD can have the greatest impact), "core focus areas" (topics fundamental to TD and our stakeholders), and "other important topics" (topics to monitor and manage). We consider our material topics to be those that are identified as key impact areas and core focus areas. Our 2022 results are not directly comparable to those of previous years due to evolutions in our methodology.

1. The terms "material" and "materiality", as used in the context of sustainability reporting by TD, are not equivalent to similar terms used for securities law or other regulatory purposes, and should not be read as rising to the level of materiality of disclosure required in our securities law filings.

2. TD reports in accordance with the GRI standards. For more information, please visit www.globalreporting.org.



Sustainability Reporting Details (continued)

Environmental, Social and Governance Stakeholder Engagement

TD is committed to meaningful stakeholder engagement that enables us to have ongoing dialogue with investors, industry associations, non-governmental organizations (NGOs) and Indigenous communities. Our interactions with these stakeholders help to inform our internal policies and practices.

TD has a team dedicated to managing the ESG engagement process and responding to stakeholder inquiries. One way we interact with our stakeholders is through industry association memberships. Below is a list of some of the organizations that TD is a member of that have an ESG focus:

ORGANIZATION	TOPIC AREA	DETAILS
30% Club Canadian Investor Group	Sustainable investing	TD Asset Management (TDAM) is a member of the 30% Club Canadian Investor Group. This is a group of asset owners and asset managers committed to exercising their ownership rights to encourage increased representation of women on corporate boards and in executive management positions in Canada.
Black Business Professional Association (BBPA)	Diversity, equity and inclusion	The BBPA is a non-profit organization that addresses equity and opportunity for the Black community in Canada, in business, employment, education and economic development. TD is a member of the BBPA.
Business for Social Responsibility (BSR)	Sustainability and human rights	TD is a member of BSR, which is a global non-profit organization that works with its member companies to build sustainable business strategies. TD is also a member of BSR's Human Rights Working Group, which supports companies in implementing the UN Guiding Principles on Business and Human Rights.
Canadian Association of Urban Financial Professionals	Diversity, equity and inclusion	Canadian Association of Urban Financial Professionals is a member-based resource organization providing a link between corporations and the Black community through innovative programs that facilitate economic growth and educational opportunities. TD is a member of Canadian Association of Urban Financial Professionals.
Canadian Coalition for Good Governance (CCGG)	Corporate governance	Representing the interests of institutional investors, the CCGG promotes good governance practices in Canadian public companies. TDAM is a member of CCGG.
Canadian Bankers Association (CBA)	Various industry topics	TD is a member of the CBA, a national association representing banks operating in Canada. TD participates in public consultations and advocacy initiatives with the CBA on a variety of topics, including proposed guidance for the assessment and management of climate risks and opportunities, and disclosure frameworks, from regulators, standard setters and industry groups.
CDP	Carbon management and disclosure	Since 2010, TD has responded to CDP's climate disclosure and received a score of A- for its 2023 submission, demonstrating its long-standing commitment to climate-related transparency and accountability. We engage with CDP to provide feedback on the questionnaire, including its scoring methodology and approach.
Circular Economy Leadership Canada (CELC)	Circular economy	CELC was launched in 2018 as a network of corporate leaders, non-profit research organizations, and academic researchers working to promote the transition to a low-carbon, circular economy in Canada. TD joined CELC in 2022 and is a founding member of CELC's Circular Finance in Canada workstream.
Climate Action 100+	Sustainable investing	TDAM has been a member of CA100+ since 2019. Participation in investor networks such as CA100+ enables TDAM to have a wider engagement reach and a better understanding of climate change related investment risks and opportunities. This is consistent with TDAM's approach of actively engaging with companies in which it invests on behalf of its clients. Notwithstanding participation in the CA100+, TDAM continues to exercise its proxy voting decisions independently as per its internal policies and guidelines.
Climate Engagement Canada	Sustainable investing	In October 2021, TDAM became a founding member of Climate Engagement Canada, a finance-led initiative that drives dialogue between the financial community and corporate issuers to help Canadian public companies successfully transition to a net-zero economy.
Disability:IN	Diversity, equity and inclusion	Disability:IN is a non-profit resource for business disability inclusion worldwide, to expand opportunities for people with disabilities across enterprises. TD is a member of Disability:IN.



Sustainability Reporting Details (continued)

ORGANIZATION	TOPIC AREA	DETAILS
Equator Principles (EP)	Environmental and social risk in the financial sector	The EP are a voluntary set of minimum due diligence standards to help financial institutions determine, assess, manage, and report on E&S risks related to projects that are within the scope of the EP. The Bank uses a comprehensive set of tools and guidance documents to identify and categorize eligible transactions in accordance with the principles. TD is a signatory of the EP and adopted the EP in 2007.
Financial Health Network	Financial inclusion and health	TD is a member of the Financial Health Network, which is an organization that unites business leaders, policymakers, innovators and visionaries in a shared mission to improve financial health for all.
Global Real Estate Sustainability Benchmark (GRESB)	Sustainable investing	Since 2016, TDAM has been an active participant in GRESB, an investor-led organization providing standardized and validated ESG data for real estate assets.
Housing and Community Development Network of New Jersey (HCDNNJ)	Community and economic development	The HCDNNJ is a statewide association of over 250 non-profit housing and community development corporations, individuals, professional organizations, and prominent New Jersey corporations that support the creation of housing choices and economic opportunities for low- and moderate-income community residents. TD Bank is a member of the HCDNNJ.
Institute for Catastrophic Loss Reduction (ICLR)	Sustainable insurance	TD Insurance (TDI) is a member of ICLR with representatives on the Insurance Advisory Group. In 2023, TDI's Senior Vice President, Insurance Claims, Fraud, Litigation & Vendor Management, was elected to a seat on ICLR's board.
Institute of International Finance (IIF)	Various industry topics	TD is a participating member of the IIF – a global association of the financial industry, with about 400 members from more than 60 countries. The IIF develops advocacy positions on behalf of its global membership and manages official sector engagement including on sustainability topics. It hosts forums for discussion around ESG (including climate and nature-related) risk management, disclosure, data and taxonomy-related topics.
International Capital Markets Association (ICMA)	Green, social, sustainability, and sustainability-linked bonds	TD Securities is a member of the ICMA Principles and, as an issuer, TD Bank Group's Sustainable Bonds Framework aligns with the ICMA Green and Social Bond Principles and Sustainability Bond Guidelines.
International Corporate Governance Network (ICGN)	Sustainable investing	TDAM is a member of the ICGN, which promotes effective standards of corporate governance and investor stewardship worldwide to advance efficient markets and sustainable economies worldwide.
Investor Stewardship Group (ISG)	Sustainable investing	TDAM is a member of ISG, an investor-led organization that established a framework of basic investment stewardship and corporate governance standards.
National Alliance of Community Economic Development Associations (NACEDA)	Community and economic development	NACEDA is an alliance of 38 regional, state, and national community development associations in 25 states and the District of Columbia, whose members are champions, stewards and thought leaders for community development at the state and local level. TD Bank is a member of NACEDA.
Net-Zero Banking Alliance (NZBA)	Financing the climate transition	Industry-led and UN-convened, the Net Zero Banking Alliance (NZBA) is a group of leading global banks committed to financing ambitious climate action to transition the real economy to net-zero greenhouse gas emissions by 2050. TD joined the NZBA in October 2021 and has since made progress on its commitments by measuring financed emissions, establishing baselines and setting four interim financed emission targets which cover the large majority, approximately 70%, of our financed emissions footprint estimated to date.



Sustainability Reporting Details (continued)

ORGANIZATION	TOPIC AREA	DETAILS
Partnership for Carbon Accounting Financials (PCAF)	Carbon accounting and financed emissions	PCAF is an industry-led group working to develop shared standards for accounting and disclosing GHG emissions related to lending and investment activities. TD is a member of the industry-wide PCAF working group and participates in education and discussion sessions for carbon accounting and financed emissions calculations. Through its membership, the Bank also promotes consistency and harmonized approaches to data, metrics and methodologies. TD is committed to working with industry associations to help develop and implement a harmonized approach to measuring and disclosing financed emissions. We participate in several PCAF working groups, including the PCAF Canada and North America Working Groups, PCAF Business Loans Working Group, PCAF Mortgages and Commercial Real Estate Working Group and PCAF Motor Vehicle Loans Working Group.
Philadelphia Association of Community Development Corporations (PACDC)	Community and economic development	PACDC is a membership association that strives to foster strong community development corporations and non-profit community organizations by enhancing their skills and advocating for resources and policies to create a just and inclusive Philadelphia. TD Bank is a member of the PACDC.
PRI Advance	Sustainable investing	TDAM is a member of PRI Advance, a collaborative stewardship initiative on human rights and social issues.
Pride at Work	Diversity, equity and inclusion	Pride at Work is a non-profit organization that empowers Canadian employers to build workplaces that celebrate all employees regardless of gender expression, gender identity and sexual orientation. TD is a member of Pride at Work.
RE100	Renewable energy procurement	TD was the first Canadian company to join RE100, a global initiative of influential businesses committed to 100% renewable electricity.
Responsible Investor Association (RIA)	Sustainable investing	TDAM is a member of RIA Canada, a national, membership-based organization composed of financial institutions, mutual fund companies, investment firms, financial advisors, and various organizations and individuals who practice and support responsible investing.
RMI's Center for Climate-Aligned Finance	Clean energy transition	The Center for Climate-Aligned Finance, launched by RMI in July 2020, works to enable financial institutions, corporations, and experts to overcome practical obstacles to sectoral decarbonization. TD participates in discussions on the latest climate-related financial developments.
Sustainable Finance Action Council (SFAC)	Sustainable finance	Launched by the Government of Canada in 2021, the SFAC brings together public- and private-sector experts to advance sustainable finance in Canada and globally. TD's participation has enabled active engagement in relation to critical market infrastructure needed to attract and scale sustainable finance in Canada. TD's Group Head, Canadian Business Banking, served as the Chair of SFAC's Disclosure Technical Expert Group. TD was also a member of SFAC's Taxonomy Technical Expert Group and Net Zero Capital Allocation Working Group.
United Nations Environment Programme Finance Initiative (UNEP FI)	Environmental issues in the financial sector	TD is a member of UNEP FI, a UN-convened network of banks, insurers, and investors working to accelerate sustainable development. TD participates in various working groups and initiatives focused on decarbonization, climate risk management, and related disclosures for financial institutions.
Principles for Responsible Investment (PRI)	Sustainable investing	PRI is a UN-supported international network of investors working to promote six principles of Responsible Investing. TDAM was among the first Canadian bank-owned asset managers to sign the UN-backed PRI in 2008.
UNEP FI Principles for Sustainable Insurance (PSI)	Sustainable insurance	TD Insurance (TDI) became a signatory of UNEP FI PSI in 2014, the second Canadian company to do so. TDI's AVP of Environment, Government, and Industry Relations is the Chair of the PSI board as well as the board member for North America. Additionally, TDI's President and CEO is a member of the UNEP FI Leadership Council and was the only Canadian insurer representative invited to join the council.
U.S. Green Building Council	Green buildings	TD is a member of this industry organization aimed at advancing green building designs.
TD is a corporate member of 11 supplier diversity certification councils in Canada and the U.S.	Responsible sourcing and supplier diversity	For more details, please visit TD's Responsible Sourcing page.



Sustainability Reporting Details (continued)

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

The United Nations' (UN) SDGs provide a plan of action to achieve shared prosperity for the world at large. Through 17 goals, 169 targets and 231 related indicators, the SDG Framework aims to help align international efforts to leave a peaceful, healthy and prosperous planet for future generations.³

A detailed consideration of the indicators and metrics that comprise the UN's SDG framework has helped us to identify

alignment with the goals of the TD Ready Commitment and map eligible activities under our Sustainable Finance & Decarbonization Finance Target to the goals of the SDGs. For more information, please see page 5 of the 2023 TD Ready Commitment Report and pages 4-10 of the TD Sustainable & Decarbonization Finance Target Methodology.

³ <https://sdgs.un.org/goals>.