

## TD Green Bond (2021) Issuance – Use of Proceeds

The Toronto-Dominion Bank (“TD”) aims to have a differentiated strategy – anchored in our proven business model, we are guided by our desire to give our customers, communities, and colleagues the opportunities and confidence to thrive in a changing world. TD is on a journey to embed sustainability across its business. Green, Social and Sustainability Bonds (collectively “Sustainable Bonds”) are one way of demonstrating our support for low-carbon and socially responsible economic growth. In 2021, TD issued a Green Bond under the TD Sustainable Bonds Framework, which was published in 2020. The 2021 Green Bond is a US\$500 million three-year bond maturing on December 13, 2024, closed through a syndicate of

underwriters that included minority-, women- and veteran-owned business enterprises.

Under the TD Sustainable Bonds Framework, an amount equal to the net proceeds of the Green Bond will be used to finance and/or refinance,<sup>1</sup> in part or in whole, loans, investments and internal or external projects that meet the TD Sustainable Bonds Framework’s criteria. Please refer to the [TD Sustainable Bonds Framework](#) for more information on the eligible categories and TD Sustainable Bonds.

### 2021 Green Bond Issuance

Examples of funding through the 2021 TD Green Bond are featured below, as well as a breakdown of the use of proceeds by eligibility category.<sup>2</sup>

#### Renewable Energy

**Amount Allocated:**

US \$40.2 million

**Description:**

A construction warehouse facility to assist Standard Solar (a Brookfield Renewable affiliate), a market-leading U.S. distributed generation platform with ~500 MW of operating and under-construction contracted assets, and a robust development pipeline of ~1,800 MW. The portfolio is diversified across 20 solar markets, primarily located in the U.S. Northeast.

**Environmental Details:**

As a renewable energy source, solar energy helps to support the transition to a low-carbon economy. According to Brookfield Renewable, Standard Solar is one of the largest distributed generation platforms of scale in the U.S., currently operating more than 200 commercial and community solar and “solar + storage” projects for use primarily by commercial and industrial customers and utility offtakers.

#### Clean Transportation

**Amount Allocated:**

US \$24.4 million

**Description:**

Facility provided to East-West Connectors GP to design and construct 27 kilometres of new light rail transit (LRT) track in Ottawa. The Confederation Line Extension Project is comprised of the East Extension, which includes over 12 kilometres of new LRT track from Blair Road to Trim Road, with 5 new station buildings, and the West Extension, which includes over 14 kilometres of new LRT track with 11 new station buildings. The Project scope also includes a new light maintenance and storage facility to integrate with the existing Confederation Line.

**Environmental Details:**

The Project is intended to reduce traffic congestion and commuting times. According to the City of Ottawa, the Project will bring 77% of Ottawa residents within five kilometres of light rail once completed.

#### Green Buildings

**Amount Allocated:**

US \$44.4 million

**Description:**

Acquisition loan provided to KBSIII Carillon (Carillon), with proceeds used for the purchase of a 476 thousand square foot, 24-storey office tower in the Upton submarket of Charlotte, North Carolina.

**Environmental Details:**

Carillon received the LEED Gold Certification by the U.S. Green Building Council in December 2022. As part of the LEED Certification process, environmental goals are integrated in design, construction and planning decision-making. The building is also Energy Star-certified (recently renewed in 2023) and is a UL Verified Healthy Building for Indoor Environment. Additionally, the building has electric vehicle charging stations on-site.

#### Green Buildings

**Amount Allocated:**

US \$67.0 million

**Description:**

Construction loan to a Tricon Residential and OPTrust partnership to develop a 36-storey purpose-built rental apartment community comprised of 286 residential units and 44,650 square feet of commercial space on the first four floors. The building is a Class A purpose-built rental property called The Taylor, located at 57 Spadina Avenue, at the south-east corner of King Street West in the heart of the Entertainment and Fashion Districts in Downtown Toronto.

**Environmental Details:**

The Taylor is expected to achieve LEED Gold certification. As part of the LEED Certification process, environmental objectives were integrated in design, construction and planning decision-making. This includes consideration of energy use, water use, indoor environmental quality, material selection, etc. In addition, The Taylor is the first new purpose-built rental apartment in Toronto to connect to Enwave Energy Corporation’s Deep Lake Water Cooling System (DLWC). The DLWC draws cold water from Lake Ontario for low-carbon, low-energy heating and cooling rather than using gas-fired heating and electrical cooling systems. According to Enwave, this results in an estimated 40% less energy use than a typical building that does not have DLWC and reduces energy usage for cooling by approximately 80% compared to on-site chillers.

<sup>1</sup> As set out in the TD Sustainable Bonds Framework, 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 this Framework can be used to finance new Eligible Assets or to refinance existing Eligible Assets.

<sup>2</sup> Information and specifications below have been provided and/or confirmed by the applicable borrower.



## Allocation Reporting

Use of Proceeds as at October 31, 2023

Eligible Category	Allocated Proceeds (US \$, millions)
<b>Green Categories</b>	
Renewable Energy	140.9
Energy Efficiency	34.0
Green Buildings	150.6
Clean Transportation	159.4
Environmentally Sustainable Management of Living Natural Resources and Sustainable Land Use	13.5
Pollution Prevention and Control	–
Sustainable Water and Wastewater Management	–
<b>Total</b>	<b>\$498.4<sup>3,4,5,6</sup></b>

## Impact Reporting

The impact indicators below, as outlined in the TD Sustainable Bonds Framework, provide an estimate of select anticipated environmental and social outcomes associated with the allocation of proceeds from this Green Bond.

Project Category	Impact Indicator	Unit	Estimated Impact of the TD Green Bond Proceeds <sup>7,8,9,10</sup>
<b>Eligible Green Categories</b>			
Renewable Energy	Annual renewable energy generation	MWh	272,991
Energy Efficiency	Annual energy savings	MWh	n/a
Green Buildings	Annual energy savings	MWh	666
Clean Transportation	Number of electrified passenger vehicles financed	#	3,433
	Public transit passenger capacity	#	n/a
Environmentally Sustainable Management of Natural Resources and Sustainable Land Use	Number of projects financed	#	3

The impact metrics are estimated using client-provided and/or publicly available information. The estimation methodologies for the relevant impact metrics are summarized below:

- Renewable energy — Annual renewable energy generation: The energy generation capacity of the project (i.e., nameplate capacity) is supplied by the client or taken from publicly available information. This figure is multiplied by an average capacity factor: a ratio of actual annual energy output to the theoretical maximum annual energy output (i.e., nameplate capacity), using government-published averages for different energy types (e.g., solar, wind, etc.). The result is then multiplied by TD's apportioned value of the transaction to estimate TD's share of the annual renewable energy generation.
- Green Buildings — Annual energy savings: The average annual energy use of a non-LEED-certified building of a similar size is estimated using government-published data on energy usage

per square-foot for buildings of different size ranges. This is discounted by the percentage annual energy savings from LEED certification for a building of a similar size range, as estimated and published by LEED. The result is then multiplied by TD's apportioned value of the transaction to estimate TD's share of the annual energy savings.

- Clean Transportation — Number of electrified passenger vehicles financed: The number of electrified passenger vehicles financed or refinanced.
- Environmentally Sustainable Management of Natural Resources and Sustainable Land Use — Number of projects financed: The number of projects financed or refinanced is multiplied by TD's apportioned value of the relevant transaction to estimate TD's share of the number of projects.

<sup>3</sup> TD received cash proceeds of US\$498,385,000 net of agency fees.

<sup>4</sup> The proportion of financed and refinanced Eligible Assets for the allocated proceeds as at October 31, 2023 was 34% and 66%, respectively.

<sup>5</sup> Visit the [2023 Assurance Report](#) from Ernst & Young LLP.

<sup>6</sup> For more information on the basis of allocating the use of proceeds, visit the [TD Sustainable Bonds Framework](#).

<sup>7</sup> For use-of-proceeds facilities, impact measurement metrics reflect TD's loan share of the project. For facilities where at least 95% of the loan recipient's revenue is derived from sources that meet the relevant eligibility criteria set out in the TD Sustainable Bonds Framework, impact metrics reflect TD's loan share of the enterprise value.

<sup>8</sup> The impact results have been estimated by a third-party consultant engaged by TD, with the exception of "number of electrified passenger vehicles financed" and "number of projects financed", which are reported by TD based on client information.

<sup>9</sup> The "annual energy savings" and "public transit passenger capacity" impact metrics are listed as "N/A", as the eligible projects included in these categories are not yet operational.

<sup>10</sup> Indicators are intended to provide a measurement of certain environmental and social impacts that are expected to result from a project to which Green Bond proceeds have been allocated under the TD Sustainable Bonds Framework. The GHG emissions reduced or avoided as a result of these projects cannot be reliably estimated at this time. Companies that issue sustainable bonds may also engage in other carbon-intensive activities and projects. To the extent available and subject to any applicable confidentiality obligations and any other non-disclosure obligations, TD will report on an annual basis information on certain environmental and social impacts. Quantifying and reporting on environmental and social impacts is a complex exercise and there are currently no harmonized standards for such reporting. As such, any estimates of environmental and social impacts are preliminary and based on various assumptions, and the actual impacts may differ materially from these estimates. Readers are cautioned not to place undue reliance on these indicators, as a number of risk factors could cause actual results to differ materially from the expectations presented in any forward-looking impact indicator, including the risk that eligible projects will not be completed within a specified period or at all or with the results or outcomes as originally expected or anticipated by TD.



## Disclaimer

This Green Bond Use of Proceeds Report ("Report") is provided for informational purposes only and is subject to change without notice. The information contained herein is provided as of the date of this Report and after the date of this Report, none of The Toronto-Dominion Bank or any of its subsidiaries, collectively known as TD Bank Group ("TD" or "the Bank") assumes any responsibility or obligation to update or revise any statements in this Report, regardless of whether those statements are affected by the results of new information, future events or otherwise, except as required by law or the TD Sustainable Bonds Framework.

No representation or warranty, express or implied, is or will be made in relation to the accuracy, reliability or completeness of the information contained herein nor is made as to the suitability of any issuance of Green, Social or Sustainability Bonds (collectively, "Sustainable Bonds") to fulfill environmental, social and/or sustainability criteria required by prospective investors. The eligible Green and Social Projects described herein may not satisfy an investor's expectations in respect of the use of proceeds from the Sustainable Bonds or the benefits arising from those bonds. Furthermore, the Report contains metrics and other data obtained from clients and other third-party sources and is based on complex methodologies that are not currently standardized. Although TD believes these sources and underlying methodologies used are reliable, TD has not verified any third-party data, or assessed the assumptions underlying such data or methodologies used, and cannot guarantee the accuracy of such data, assumptions or methodologies. Any changes to this data, including as a result of the methodologies for its collection and reporting, may cause results to differ materially from those contained in the Report. No liability whatsoever is or will be accepted by TD for any loss or damage howsoever arising out of or in connection with the use of, or reliance upon, the information contained in this Report.

Nothing in this Report shall constitute, or form part of, an offer to sell or solicitation of an offer to buy or subscribe for any security or other instrument of TD or any of its affiliates, or as an invitation, recommendation or inducement to enter into any investment activity, and no part of this Report shall form the basis of or be relied upon in connection with any contract, commitment, or investment decision whatsoever. Offers to sell, sales, solicitation of offers to buy or purchases of securities issued by TD or any affiliate thereof may only be made or entered into pursuant to appropriate offering materials prepared and distributed in accordance with the laws, regulations, rules and market practices of the jurisdictions in which such offers, solicitations or sales may be made. Professional advice should be sought prior to any decision to invest in securities.

This Report is not intended to constitute financial, legal, tax, investment, professional or expert advice. This material is not intended for distribution to, or use by, any person or entity in any jurisdiction where such distribution or use would be contrary to law or regulation. This Report may contain projections and forward-looking statements within the meaning of certain securities laws, including the "safe harbour" provisions of the United States Private Securities Litigation Reform Act of 1995 and any applicable Canadian securities legislation. Forward-

looking statements contained in this Report may include, but are not limited to, statements regarding the allocation of Sustainable Bonds proceeds and the estimated impact associated with outstanding Sustainable Bonds and regarding TD and its objectives, strategies and future performance. Forward-looking statements can be identified by words such as "anticipate", "believe", "could", "estimate", "expect", "forecast", "goal", "intend", "may", "outlook", "plan", "possible", "potential", "predict", "project", "should", "target", "will", and "would" and similar expressions or variations thereof, or the negative thereof, but these terms are not the exclusive means of identifying such statements.

By their very nature, forward-looking statements require the Bank to make assumptions and are subject to inherent risks and uncertainties, specific and general, which give rise to the possibility that predictions, forecasts, projections, expectations or conclusions will not prove to be accurate and that such assumptions may not be correct, and that TD's objectives, visions and strategic goals will not be achieved.

Readers are cautioned not to place undue reliance on these statements as a number of risk factors could cause actual results to differ materially from the expectations expressed in such forward-looking statements. These factors – many of which are beyond TD's control and the effects of which can be difficult to predict – include: difficulty identifying assets that meet the Sustainable Bonds criteria, and the risk that eligible projects will not be completed within any specified period or at all or with the results or outcome as originally expected or anticipated by TD. Any change in these factors, among others, could cause results to differ materially from the expectations, targets, estimates or intentions expressed in such forward-looking statements. Readers are cautioned that these risk factors are not exhaustive of all possible risk factors and other factors could adversely affect TD's results. For more information please see TD's most recent Annual Report, as may be updated by quarterly reports. When relying on the forward-looking statements contained in this Report to make decisions with respect to TD and its securities, investors and others should carefully consider the foregoing factors and other uncertainties and potential events.

Except as required by law, none of TD or its affiliates undertakes to update any forward-looking statement that may be made from time to time in this Report.

Any references to "sustainable investing," "sustainable finance," "ESG," "carbon neutral", "net-zero" or similar terms in this document are intended as references to the internally defined criteria of the Bank and not to any jurisdiction-specific regulatory definition that may exist. This Report may provide addresses of, or contain hyperlinks to, web sites that are not owned or controlled by TD. Each such address or hyperlink is provided solely for the recipient's convenience, and the content of linked third-party web sites is not in any way included or incorporated by reference into this Report. TD takes no responsibility for such websites or their content, or for any loss or damage that may arise from your use of them. If you decide to access any of the third-party websites linked to this Report, you do so at your own risk and subject to the terms and conditions of such websites.

March 2024

