



And beyond

Adapting to be  
the bank you need

2015 Corporate Responsibility Report



# About this Report

This report is designed to be **viewed online**. The links provide access to more details, additional resources, supporting videos and case studies.

## On the cover



Since our founding over 160 years ago, TD Bank Group has continuously evolved to serve the changing needs of our customers, employees, communities and shareholders.

We continue adapting to be the bank you need. There are many examples of this in the following pages – from our latest innovations in digital banking, to new ways we're addressing climate change, to our recent efforts in expanding financial access and inclusion. Inspired by our history and vision of being the better bank, we are building the bank of tomorrow and beyond.

**Performance Appendix:** Please refer to the 2015 Performance Appendix for a helpful summary of TD's corporate responsibility quantitative performance.

**Note:** Throughout this report, "TD" or the "bank" refers to TD Bank Group. "TD Bank" refers to TD Bank, America's Most Convenient Bank®. All currency is in Canadian dollars unless otherwise noted. All material restatements and significant changes from the previous report are described in the performance data footnotes. This report presents the material issues and impacts of our activities during the fiscal year ending October 31, 2015.

**GRI:** TD has used the Global Reporting Initiative (GRI) framework for corporate responsibility reporting since 2007. TD's 2015 Corporate Responsibility Report is written in accordance with the G4 framework and fulfills the requirements for a Core report.

### + Online GRI Index

**External Assurance Reports:** Selected performance indicators were independently assured by Ernst & Young LLP. Ernst & Young performed a limited assurance engagement for a selected number of TD's performance indicators including TD's greenhouse gas emissions and Carbon Neutral Schedule and TD's paper usage figures. The results of Ernst & Young's assurance engagements are documented in its assurance statement.

### + Ernst & Young Assurance Statement

## Ways to Reach Us

With teams across TD dedicated to maintaining relationships, we interact with several stakeholder groups on a daily and/or weekly 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.support@td.com](mailto:Customer.support@td.com)

Shareholders: [tdshinfo@td.com](mailto:tdshinfo@td.com)

Investors: [tdir@td.com](mailto:tdir@td.com)

Suppliers: [tdsource@td.com](mailto:tdsource@td.com)

Community groups: [td.communitygiving@td.com](mailto:td.communitygiving@td.com)

Feedback on this report: [crreport@td.com](mailto:crreport@td.com)

On Twitter: @TD\_Canada or @TDBank\_US

By text: TDHELP (834357)

## Symbol Key

- Table of contents
- Supporting content (external links)
- Navigate to a different section
- Facts and figures for which Ernst & Young LLP provided limited level of assurance
- Facts and figures for which Ernst & Young LLP provided reasonable level of assurance
- Indicates a GRI disclosure. Click to view the full GRI Index online.



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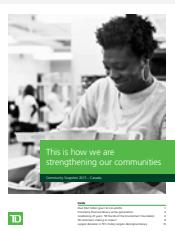
This publication is part of our reporting suite. For more information about TD and our activities, please read our other reports:



Annual Report



Appendix



Community Report



Proxy Circular



# A Message from Our CEO

Enduring organizations constantly adapt to meet the evolving wants and needs of their customers. As you can see from the cover of this report, TD has done just that over its 160 years of service.

For most people, TD's ability to adjust with the times is not as important as what we preserve over time.

We agree.

TD opened its doors today for the same reasons we did in 1855: to serve people – fulfill their aspirations – make their lives better – build a more prosperous future.

Back then, the grain millers and merchants didn't live to bank – they banked to live. That hasn't changed either with the more than 24 million customers TD now has the privilege to serve.

Of course, how we serve them has changed. Over the years, TD has struck down old notions of bankers' hours and given our customers more ways – and in some cases – new ways to bank with us.

Today's rapid proliferation of technology provides us with even more opportunities to build on our innovation tradition. This includes collaborating with start-ups; encouraging experimentation at the TD Lab; and, accelerating to market new digital experiences at our Waterloo technology centre.

TD will continue to grow our leadership position and deliver best-in-class customer service in the online and digital banking space, just as we have in our branches and stores.

## Investing in people

To grow our business, we must grow our people. TD leaders have a deep and profound obligation to help all our people reach their full potential. We are dedicating more resources to do just that, so our people can make even more meaningful contributions to our business and brand.

Culture also plays a vital role in setting up our people for success. It evolves just like everything else at TD, but here too, we must be mindful of preserving what matters most to our colleagues and customers. TD's journey to be a truly open and diverse workplace is a strategic necessity.

## Investing for a sustainable future

To be an enduring franchise, TD must also be a sustainable franchise. In 2015, we extended our support of the green bond market, participating in a syndicate of financial institutions underwriting well over \$1 billion across two five-year climate awareness bonds issued by the



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

European Investment Bank. And so far in 2016, TD Securities participated in the underwriting of two more green bonds: a C\$750-million bond for the Government of Ontario and a US\$700-million bond for International Finance Corporation.

TD's efforts are being recognized internationally. We were the only Canadian bank to be listed on the Dow Jones Sustainability World Index last year. We also ranked on the Top 500 Global Carbon Performance Leadership Index. This year TD will help manage the environmental impact of our suppliers through a CDP Supply Chain Initiative.

More broadly, in 2015, TD invested over \$92 million into programs that make our communities healthier, stronger, and more vibrant. We continue to make an impact in financial education, with over 200,000 people across North America participating in a TD-sponsored program each year. I am especially proud of the time our colleagues volunteer to make a difference. Their generosity of spirit speaks volumes to the kind of organization we are, and aspire to be going forward.

Indeed, we will remain focused on why TD opened our doors in the first place: to make your life better. That is what people have come to expect from TD. And more than anything else, it is why our business endures.

A handwritten signature in black ink that reads "Bharat Masrani".

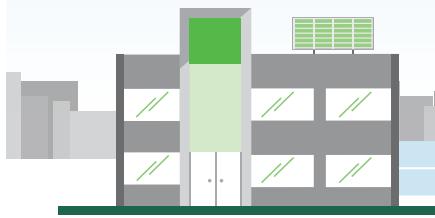


# TD's Value Chain

## We Are

**84,000+ employees**

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



**24M+**

Customers served around the globe.



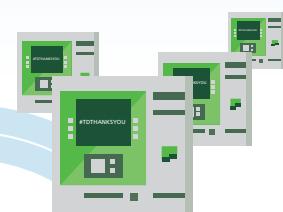
**2,400+**

Retail locations across North America.



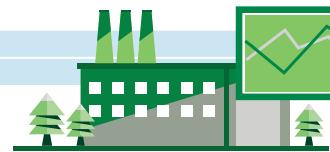
**5,100+**

ATMs



## Banking and Advice for Business

We provide access to credit to help generate economic growth.



**Value Distributed**

**Value Distributed**



**24/7**  
phone/online



**Building a Better Bank**

**Value Created**

Value reinvested  
for future growth

**EMPLOYEES**  
**\$9 billion**  
in salaries/benefits

**SUPPLIERS**  
**\$6+ billion**  
in procurement

**SHAREHOLDERS**  
**\$3.4 billion**  
in cash dividends

**TAXES**  
**\$2.8 billion**  
corporate and property

**COMMUNITIES**  
**\$92.5 million**  
in donations, and over 118,000 hours volunteering



# Corporate Responsibility at TD

Given the direct and indirect impacts of our business, we are profoundly aware of the need to embed corporate responsibility into business decisions.

Which is why TD's vision, strategy and Guiding Principles are so important in helping navigate the path to building a better bank. These are the values that apply to all employees for all bank activities, all of the time.

**Our Vision:**  
To Be The Better Bank

**Our Mission:**  
We will be the Best Run, Customer-focused, Integrated Financial Institution with a Unique and Inclusive Employee Culture

**Our Strategy:**  
To produce long-term, profitable growth by building great franchises and delivering value to our Customers, Shareholders and Communities

**Our Guiding Principles:**

- Deliver Legendary Customer Experiences
- Be an Extraordinary Place to Work
- Operate with Excellence
- Understand Our Business
- Take Only Risks We Understand and Can Manage
- Enhance Our Brand
- Increase Shareholder Value

**Our Corporate Responsibility Strategy** is built on four themes that contribute to TD's overall vision.



## Go Deeper

Corporate Responsibility Governance Structure



Guiding Principles / Leadership Profile / Code of Conduct  
Ethics and Integrity / TD's Risk Appetite



# Scorecard and Goals

Objective	2014 Results	2015 Results (target in brackets if applicable)	Progress	2016 Target
<b>Responsible Banking</b>				
<b>Deliver legendary customer service</b>	Legendary Experience Index and Customer Experience Index composite score <sup>1</sup>	n/a – new index	<b>46.4%</b> (48.7%)	○
<b>Create value in the real economy</b>	Distributed economic value <sup>2</sup>	\$18,812	<b>\$19,883</b>	
<b>Increase financial literacy</b>	Questions answered through TD Helps	60,000	<b>72,651</b>	
	Number of participants in a TD-sponsored financial education program	294,000+	<b>247,900</b> (200,000)	●
<b>Build an Extraordinary Workplace</b>				
<b>Provide a great place to work</b>	Increase Employee Engagement Index	4.20	<b>4.17</b> (increase year over year)	○
	Reduce voluntary turnover in the U.S.	20.20	<b>22.61</b> (reduce year over year)	○
<b>Be diverse and inclusive to reflect the communities we serve</b>	Women on Board Women in Leadership <sup>3</sup> (% in Canada) Minorities in Leadership <sup>3</sup> (% in Canada) People with Disabilities (% in Canada) Aboriginal Peoples (% in Canada)	31% 33.7% 11.2% 4.4% 1.4%	<b>36%</b> <b>35.7%</b> <b>12.7%</b> <b>5.9%</b> <b>1.3%</b>	●
<b>Be an Environmental Leader</b>				
<b>Embed the environment into our financing decisions</b>	Transactions reviewed against TD's Environmental & Social Credit Risk Management process, which includes the Equator Principles	100%	<b>100%</b> (100%)	●
<b>Reduce our environmental footprint</b>	Be carbon-neutral	Yes	<b>Yes</b>	●
	Reduce paper use (relative to 2010 baseline)	9% reduction	<b>16.4% reduction</b> (20%)	○
<b>Strengthen Our Communities</b>				
<b>Give financial support to create change</b>	Total donations (millions)	\$82	<b>\$92.5</b>	
<b>Encourage volunteerism in our communities</b>	Hours volunteered by TD employees	96,323	<b>118,971</b> (increase year over year)	●
<b>Influence suppliers to use responsible practices</b>	Number of suppliers assessed for responsible practices	108	<b>211</b>	

● Met    ○ On track    ○ Did not meet

<sup>1</sup>TD Canada Trust and TD Bank transitioned to a new Legendary Experience Index metric in 2015.

<sup>2</sup>Economic value distributed as defined by the Global Reporting Initiative. Please see page 21 for more details.

<sup>3</sup>Leadership defined as executive and senior management roles.



# How We Listen to Stakeholders

We understand the importance of not only listening to stakeholders, but using that feedback to take action and improve. Here are some of the feedback channels through which stakeholders can interact with TD.

Stakeholder Group	Ways We Interact	Key Topics in 2015
<b>Customers</b>	<ul style="list-style-type: none"> <li>Solicit feedback by phone and online</li> <li>Formal process for handling complaints</li> <li>TD Ombudsman</li> <li>Consumer associations</li> <li>Social media team</li> </ul>	<ul style="list-style-type: none"> <li>Fee changes</li> <li>Processing delays</li> <li>Credit decisions</li> <li>Access to banking</li> <li>Financial education</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>Employee surveys, focus groups and HR meetings</li> <li>Executive leadership visits</li> <li>Intranet comment engine and online communities (Connections)</li> <li>Employee Ombudsman (Between Us)</li> <li>Employee Assistance Program</li> <li>Ethicspoint – for U.S. employees</li> </ul>	<ul style="list-style-type: none"> <li>Improving work processes</li> <li>Career development</li> <li>Diversity and inclusion in the workplace</li> <li>Increased emphasis on employee wellness</li> </ul>
<b>Shareholders and Investors</b>	<ul style="list-style-type: none"> <li>Annual meeting and quarterly earnings call</li> <li>Shareholder proposals</li> <li>Shareholder relations team</li> <li>Regular meetings with investors</li> <li>Investor relations website</li> <li>Investor days</li> <li>Industry conferences</li> </ul>	<ul style="list-style-type: none"> <li>Oil and gas exposure and the indirect financial impacts</li> <li>Impact of Canadian and U.S. dollar exchange rates on performance</li> <li>Expense management</li> <li>Regulatory environment as it relates to capital levels and liquidity</li> <li>Performance expectations for the U.S. Retail segment</li> <li>Approach to competition from non-traditional players in the banking sector</li> <li>Impact of low interest rates</li> </ul>

## Go Deeper

<a href="#">List of Environmental Stakeholder Groups and Discussion Topics</a>	[+]
<a href="#">List of External Voluntary Commitments</a>	[+]
<a href="#">List of Memberships and Affiliations</a>	[+]
<a href="#">2015 Public Policy and Political Contributions</a>	[+]

Stakeholder Group	Ways We Interact	Key Topics in 2015
<b>Government</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>Progress on implementing regulations such as the Dodd-Frank Act and Foreign Account Tax Compliance Act</li> <li>Mortgage policy</li> <li>Working to create greater financial literacy, to empower citizens</li> </ul>
<b>Suppliers</b>	<ul style="list-style-type: none"> <li>Website for prospective suppliers</li> <li>Email responses to supplier questions</li> </ul>	<ul style="list-style-type: none"> <li>Increased regulatory scrutiny over third-party relationships</li> <li>Increasing accessibility for diverse suppliers</li> </ul>
<b>Industry Associations</b>	<ul style="list-style-type: none"> <li>Industry association memberships</li> <li>Memberships with various multi-stakeholder groups</li> <li>Participation in financial centre bodies</li> </ul>	<ul style="list-style-type: none"> <li>Meeting needs of customers and evolving customer expectations</li> <li>Coordination among authorities for more workable regulation</li> <li>Oversight of unregulated and under-regulated financial institutions</li> </ul>
<b>Communities</b>	<ul style="list-style-type: none"> <li>Community Relations teams in Canada, U.S. and U.K.</li> <li>Ongoing dialogue with community organizations</li> <li>Volunteering network</li> <li>TD Friends of the Environment Foundation local chapters</li> </ul>	<ul style="list-style-type: none"> <li>Financial education</li> <li>Affordable housing</li> <li>Local conservation</li> <li>Children's literacy</li> <li>Helping youth overcome economic barriers</li> <li>Social impact investing</li> </ul>
<b>Non-Governmental Organizations</b>	<ul style="list-style-type: none"> <li>Open-door policy</li> <li>Meetings, phone calls, face-to-face consultation</li> <li>Funding research projects</li> <li>Conferences and forums</li> <li>Over 250 engagements on environmental topics</li> </ul>	<ul style="list-style-type: none"> <li>Climate change</li> <li>Responsible lending</li> <li>Sustainable investing</li> <li>Liveable cities and urban green space</li> <li>Free prior and informed consent</li> <li>Natural capital</li> <li>Critical habitat conservation</li> <li>Income inequality</li> </ul>



# Our Material Topics

This Corporate Responsibility Report is structured around the 19 material environmental, social and governance (ESG) topics that stakeholders and TD identified as most relevant.

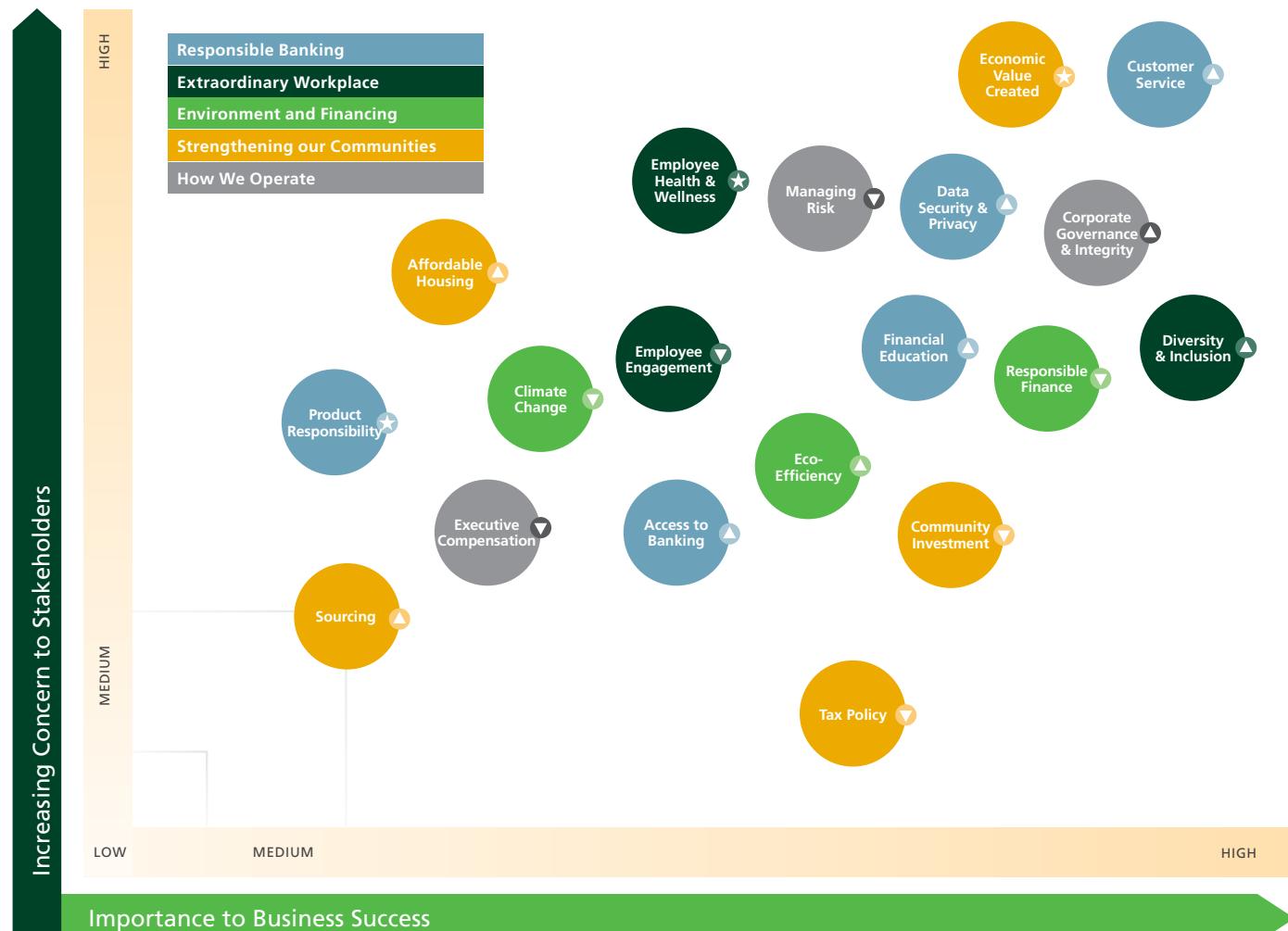
We conduct a formal materiality analysis to identify, prioritize and validate the evolving environmental, social and governance issues for TD. This process involves research, media scans, stakeholder consultations and internal discussion, which lead to the refining of our material topics. We use this process to track stakeholder concerns and identify new issues as they emerge.

After conducting an annual materiality analysis since 2011, we are transitioning to a two-year review cycle because we've found that the matrix of issues remains fairly consistent over this time frame. The new engagement cycle should provide more time for shifts in issues and enable TD to show progress between each stakeholder panel engagement. This 2015 report is based upon the same materiality findings for 2014.

## Go Deeper

[Details of TD's Materiality Assessment Process](#)

[Stakeholder Panel Full Report](#)



# Contextual Trends



## Economic Volatility

Elevated financial market volatility is a key global risk. Lingering worries about China's economy and the dramatic decline in crude oil prices have been weighing on investors' confidence. Low oil prices have led to a recession in Alberta's economy, but put more money in the pockets of households and businesses in Central Canada and the Northeastern United States.

Other drivers of market volatility include divergent paths of monetary policy within the advanced world and continued excessive debt burdens, particularly within the emerging markets.

In early 2016, the Canadian dollar tumbled to a level not seen since 2003. While a low currency provides a competitive boost to exporters, large fluctuations tend to send shock waves through businesses and consumers alike. Higher import costs and increasing food prices are more than offsetting the benefit of lower gasoline prices, thus reducing the purchasing power of Canadian consumers.



## Climate Resilience

Scientific research shows that Earth's average temperature could rise several more degrees this century.<sup>2</sup> In addition to mitigating the causes of climate change by reducing GHG emissions, there is growing global attention on the need for adaptation strategies to prepare for the changes we know are coming.

TD is taking action now to build increased climate readiness into our business. We are also working to help our customers and communities understand and adapt to a range of possible climate scenarios.

[To learn more, refer to page 33.](#)



## Low Interest Rates

The sustained climate of low interest rates continued to have an impact on our business by putting pressure on margins.

Low interest rates have kept debt affordable for the average household. If perpetually low interest rates encourage additional borrowing, we may see an increase in customers who are no longer able to meet debt obligations in the event of a sudden rise in rates.

In the U.S. the Federal Reserve responded to stronger economic performance by raising the lending rate in December 2015. However, volatility in the markets is casting doubt on whether the Federal Reserve will continue to incrementally increase rates over the next few years.



## Data Security

Data security incidents and breaches continued to make headlines in 2015, drawing more questions from investors, governments and consumers about how companies plan to stay ahead of the risks and protect their systems from cyber attacks.

All stakeholders are understandably concerned about privacy and security in the digital age. Companies are increasingly aware of the investment required to limit vulnerabilities in their technology. [For more on how TD is addressing data security, refer to page 57.](#)



## Increasing Regulation of ESG Topics

Corporate responsibility reporting was founded on a principle of voluntary disclosure. We're seeing a shift from voluntary to mandatory reporting and transparency.

Research shows that since 2012 there has been a 45% global increase in the number of regulations calling for more transparency on environmental, social and governance (ESG) topics.<sup>1</sup> Specific examples include the introduction of human trafficking laws in the U.K., transparency on CEO pay ratios in the U.S. and tax reporting by country. While not all of these regulations directly affect TD, they point to a broader global trend requiring companies to provide ESG information in a timely and accurate way.



## Sustainable Development Goals

Launched in 2015 and driven by the UN, the Sustainable Development Goals (SDGs) are a set of global goals that governments are expected to adopt. The 17 goals address poverty, food, health, education, women, water, climate and more. As governments begin to measure and track progress, businesses will need to assess their own impacts in the context of the SDGs.

Forty-one per cent of businesses say they will embed SDGs into their strategy and the way they do business within five years.<sup>3</sup>

Over the course of 2016 we will be evaluating the SDGs and science-based targets to ensure they are aligned with the national and subnational goals for the jurisdictions in which we operate.

A number of global trends and events with the potential to affect our business continued to make headlines during the past year. While not within TD's direct control, they nevertheless influence the economic context in which we operate and inform our business strategy and/or our approach to corporate responsibility.



## Feature Story

# Adapting to the Digital Future

**TD is working to elevate our game in the digital space to become more agile, fast and innovative. We continue to invest in many programs across the bank – here is an example of our digital evolution:**

If digital is the future of banking and the global economy, then inspiring a new generation of tech visionaries is a smart investment. That's the impetus for TD's collaboration with [Communitech](#), a non-profit industry-led innovation hub in Waterloo, Ontario. The city lies in the heart of a globally important technology region, with the second highest concentration of startups per capita in North America after Silicon Valley.

Communitech provides start-up mentoring, peer-to-peer networking and other services for tech companies and professionals. TD is contributing significant support to the organization and the local tech community through our lab space and funding of various Communitech initiatives.

### The TD Lab

The TD Lab is located within the Communitech Hub. It's where we collaborate with local startups and work alongside innovative companies to explore new technologies for the financial services sector, with a focus on making the customer experience better. In 2015, TD Lab engaged with more than 50 startups and selected over 25 for business pitches to TD executives for consideration as potential partnership opportunities.

### Programming

TD is also supporting programs that promote women in technology and shape a strong tech ecosystem in Canada. Examples include:

- [Women in Tech Mentorship program](#) – a pilot initiative to mentor 25 women annually and help them develop skills and expand their networks.



Photo credit: Anthony Reinhart/Communitech

**Ian McDonald** is not your typical TD employee. He wears jeans. He says "cool" a lot. And he works in a funky, open-concept space at TD's innovation lab in Waterloo, Ont., a high-energy idea factory that uses design thinking and tech know-how to help the staid, blue-chip bank harness new technology and disrupt its own operations before they're disrupted by competitors from the startup world.

McDonald and his team at the lab churn out hundreds of fresh ideas every month, rapidly prototyping and testing many of them within days of someone jotting down something like "develop a family allowance app." (That notion was first discussed in spring, 2015. It's now a downloadable Android app.)

"It's really cool to have banks so forward-thinking," says Josh Hill, a computer science student doing a co-op term at TD's lab. "My friends are like, Wow, I didn't think working for a bank could be like that."

(Interview used with permission from the *Canadian Business Magazine*)



## Feature Story

# Preparing for a New Climate Reality: COP21 and Beyond

**Responding to a global groundswell of diverse voices from scientists, farmers, business leaders, communities and even the Vatican, leaders from almost 200 countries at the 2015 Climate Conference (known as COP21) agreed to act together to reduce the impacts of climate change, with the aim of keeping global warming well below 2°C.**

COP21 was a clear tipping point. The world is transitioning toward a low-carbon economy. Government policy and regulations can create the foundation for action, but every community, business and individual has a role to play. The business community has the ability – and some would say the responsibility – to influence the speed of this transition. Each company has a choice to make: Do we lead or do we follow?



Photo credit: Arnaud Bouissou

**At TD, we identified climate change as a megatrend almost 10 years ago, and we made the choice to lead.**

As a financial institution, many aspects of our business are touched by the impacts of a changing climate: our residential customers whose properties may be affected; our small business, industrial and resource clients; our investors; our own business operations; and the communities in which we live and work.

Over the years we have taken concrete steps to understand the implications for our business and to act. Certainly there are risks to be considered, both in the short and long term. But we have also uncovered a wealth of opportunities – business opportunities associated with the low carbon economy, for example: cost-savings that come with reducing our carbon footprint; and an opportunity for greater collaboration with clients and environmental and other groups to develop

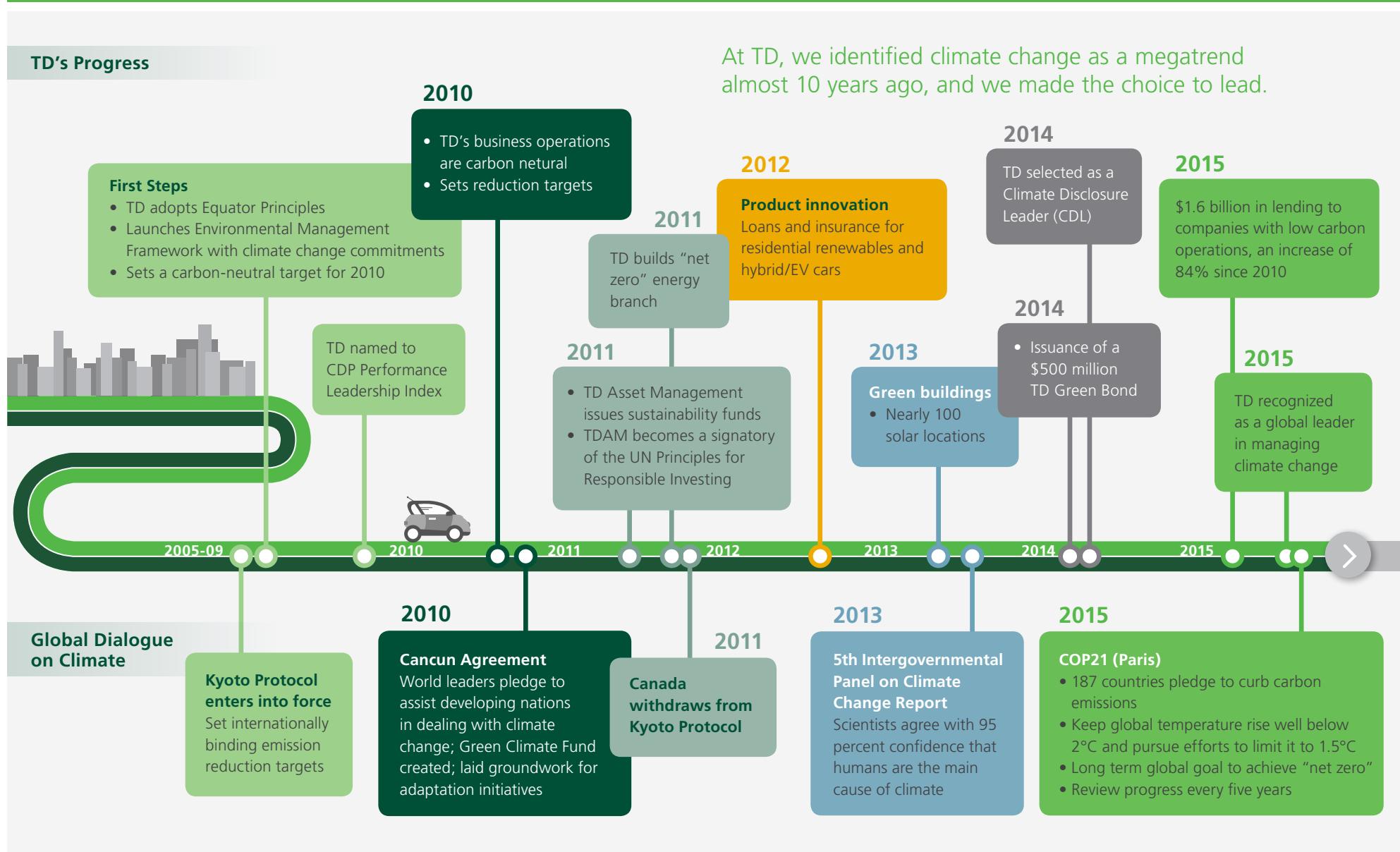
practical climate change solutions and contribute to informed public dialogue.

Climate change is not the only megatrend that is affecting our business. The digital revolution, the sharing economy and the “internet of things” are all causing disruption, leading to rapid change. But all of these forces share one thing in common: a realization that we need to do more with less. Less waste. Less resource and materials use. Less harm to the environment. This is the sustainable economic model for the future, and TD has an important role to play in supporting this transition.

We know what we are trying to achieve – a smart, green, digital economy. Achieving this will bring both environmental and economic benefits, for one thing is clear: strong business performance and a prosperous economy go hand in hand with a healthy environment.



# Feature Story: TD's Low Carbon Journey



# Responsible Banking



Our long-term success and our corporate reputation depend on the ability to anticipate and meet the needs of our customers.

TD aims to enable better, more prosperous lives by taking a more human approach to everything we do. To our customers we deliver personal human experiences, proactive advice and solutions, through convenient and timely interactions.

## Material aspects in this chapter

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For the 10th year in a row, TD Canada Trust was named “**Highest in Customer Satisfaction**” Among the Big Five Retail Banks<sup>1</sup> by J.D. Power in the Canadian Retail Banking Study<sup>1</sup>



TD Bank ranked as the “**Best Small Business Bank**” in the U.S. Northeast according to the 2015 J.D. Power Small Business Banking Satisfaction Study<sup>2</sup>

For the second year in a row, TD Bank was named “**Best Big Bank**” by Money magazine in its ranking of Best Banks in America 2015-2016<sup>3</sup>



<sup>1</sup> TD Canada Trust received the highest numerical score among the big five retail banks in the proprietary J.D. Power 2006-2015 Canadian Retail Banking Customer Satisfaction StudySM. Study based on over 14,000 total responses and measures opinions of consumers with their primary banking institution. Proprietary study results based on experiences and perceptions of consumers surveyed April-May 2015. Your experiences may vary. Visit [jdpower.com](http://jdpower.com).

<sup>2</sup> TD Bank, N.A. received the highest numerical score in the northeast in the proprietary J.D. Power 2015 Small Business Banking Satisfaction StudySM. Study based on 8,086 total responses, measuring 8 financial institutions in the northeast (Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont) and measures opinions of small business customers with annual revenues from \$100,000 to \$10 million. Proprietary study results are based on experiences and perceptions of customers surveyed in July-August 2015. Your results may vary. Visit [www.jdpower.com](http://www.jdpower.com)

<sup>3</sup> MONEY is a registered trademark of Time Inc. and is used under license. From MONEY® Magazine, November, 2015 © 2015 Time Inc. MONEY and Time Inc. are not affiliated with and do not endorse products or services of TD Bank, N.A. or TD Bank Group.



## Adapting to meet customer needs



### A message from Linda Verba

#### **Head of Service Strategy, TD Bank, America's Most Convenient Bank**

TD is on an exciting journey to be more agile, fast and innovative than we've ever been before in the way that we do business. The growing importance of social media requires that we continuously perform at our best and act quickly to address customer feedback. That's why we monitor our response times seven days a week, 24 hours a day – including holidays. We're working to eliminate customer pain points and deliver the legendary customer experiences for which TD Bank is known.

In the U.S., we established a Customer Experience Committee that represents every area of the bank. From control functions to regulatory changes, human resources to real estate, we want to ensure that TD Bank's efforts are fully coordinated to deliver the best outcomes each and every time a customer does business with us.

We know there's more to be done to create even better customer experiences and we continue to learn how to improve by listening and responding to escalated complaints through the Chairman's Service Center.

It's important for us to maintain a genuine, human connection with people – both our employees and our customers. Together we create a rich corporate identity through active employee engagement, community involvement and unparalleled convenience.



# Customer Service

## WHY IT'S MATERIAL TO TD

To build ongoing personal and human interactions with customers, we need to deliver exceptional service across multiple platforms – whether it's in person, by phone or text message, or online via email, web form, self-service support sites and social communications.

## Management Approach

Legendary customer service is at the heart of TD's business strategy and a key part of our brand promise to customers.

- We strive to make banking simple, fast and convenient for our customers by streamlining processes and providing convenient and timely interactions when a customer contacts us with a problem or a question they want answered.
- Through regular research and monitoring of their interactions with TD, we stay in tune with our customers to see what we're doing right and also to determine any pain points.

## Go Deeper

<a href="#">Code of Conduct and Public Commitments</a>	+
<a href="#">Resolving Your Problem, Concern or Complaint</a>	+
<a href="#">TD Ombudsman Annual Report</a>	+
<a href="#">2015 Appendix: ESG data</a>	+

## 2015 Performance

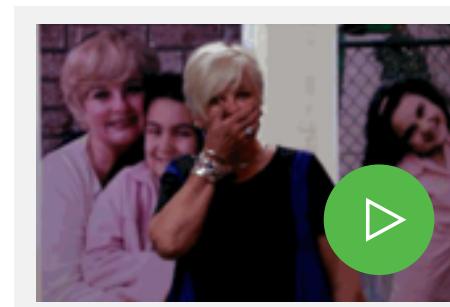
### Legendary Experience Index

After using the Customer Experience Index (CEI) for many years, in 2015 we introduced a new customer measurement tool – the Legendary Experience Index (LEI). LEI represents the future of customer experience measurement at TD. LEI asks customers to provide a perception of their experience, including whether it was exceptional and if it influenced their future purchase intention with TD. The LEI results are communicated with employees on a daily basis to improve our performance and have an impact on employee compensation.

In 2015, the CEI/LEI composite score was 46.4%<sup>1</sup>. This result was slightly below our target of 48.7% and shows there has been a learning curve with the new LEI metric. A similar pattern was observed when CEI was introduced in 2007.

Objective	Measure	2015 Target	2015 Result	2016 Target
Deliver legendary	Legendary Experience Index and Customer Experience Index composite score	48.7% <sup>1</sup>	46.4%	46.5%

<sup>1</sup> LEI is a new survey measurement program that tracks customers' experience and their overall relationship with TD. LEI was launched for TDCT and TD Bank retail programs in fiscal 2015, replacing CEI.



Watch [one amazing day in 2015](#) when TD celebrated memorable life moments of some of our customers.



# Customer Service (continued)

## SPOTLIGHT

### Going mobile to enhance the customer experience

At TD, mobility is a key enabler of our commitment to let customers bank on their own terms – when, where, and how they want. As people become more comfortable conducting their lives on mobile devices, they expect TD to be digitally fluent and able to confidently interact with them. And that's exactly the path we're on.

**We pride ourselves on leading the way in mobile banking, and have invested in innovations such as:**

- TD Mobile Deposit – cheque deposit via smartphone photo
- TD Mobile Payment – pay for purchases using a smartphone
- TD Insurance App – quickly submit claims
- The new redesign of our smartphone app and the innovative Apple Watch<sup>TM</sup><sup>1</sup> app
- Customer service via SMS text messaging
- Becoming the first bank to offer a dedicated Social Customer Service team on Twitter and Facebook
- In 2016, TD became the first bank in the world to offer customer service through Facebook Messenger

**TD mobile transactions jumped by 37% year over year**



## Problem Resolution

Effective handling of customer complaints is another essential element of good customer service. We empower our employees to take care of their customers and make calls about how to handle problems. Our technology collaboration tools allow employees dealing with a customer issue to have that customer's history and previous experience at their fingertips, enabling faster, more consistent service and problem-solving.

When problems do arise, we strive to respond quickly, get the problem fixed and address the root cause. If an issue is more complex, TD provides a transparent, easy-to-follow escalation process that is outlined on our website. This process enables customers to file a complaint regarding a potential violation of a code or commitment through the TD Office of the Ombudsman (Canada) or the Chairman's Service Center (U.S.).

- In Canada, 13% more complaints required investigation by the TD Office of the Ombudsman in 2015. Despite the increase in complaint volume, almost 90% of customers did not escalate their complaint further.
- In the U.S., 8.8% more complaints were escalated to our Chairman's Service Center. TD Bank resolved 98% of escalated customer problems.
- In 2015, we launched a new application i-Sight to support problem resolution by helping identify and prioritize the key friction points for our customers so we can fix them.
- We also leverage speech analytics in our telephone banking system to understand root causes of issues and use those findings to improve how we operate.

## Top Complaints of 2015

Processing errors

Decisions on claims

Fraud escalations

<sup>1</sup> Apple, the Apple logo, Apple Watch, iPhone, iPad, Apple Pay and Touch ID are trademarks of Apple Inc., registered in the U.S. and other countries.



# Customer Service (continued)

## SPOTLIGHT

### Meet the Ombudsman



**Kerry Robbins** is the TD Ombudsman in Canada. The Ombuds office acts as an independent complaint investigation and resolution body to help customers.

#### Q: How is the Ombudsman role evolving at TD?

Historically this has been a “react and respond” role. Today this role is becoming more strategic. For example, how can we provide information to the rest of the bank and use customer complaints to make TD better? What important insights will help the bank reduce risk? Our focus has broadened beyond complaint resolution to what we can learn from our resolution efforts to help TD adapt, innovate and avoid similar issues from impacting other customers.

#### Q: What was the top issue your office dealt with in 2015?

The top issue is always errors – errors in processing a transaction or missteps in how the bank handles a complaint. Alongside errors, we dealt with escalations related to claims decisions in the insurance business, as well as fraud-related matters where we see a lot of opportunity to educate customers on common scams.

#### Q: Is the ultimate goal “zero” complaints?

Certainly we want to see complaints kept to a minimum, but zero complaints is more of a goal to strive for than one that can realistically be reached. In an organization where hundreds of thousands of customer interactions occur daily, mistakes are going to happen and customers are going to feel let down. Having a fair and responsive complaint-resolution system for customers to turn to in these moments of frustration is a valuable part of the service we provide as a bank. Furthermore, we want to make sure customers are comfortable voicing complaints and that we continue to improve. Companies that are considered the best at customer service are the ones that listen to, acknowledge and deal with complaints, quickly and efficiently.

+ Details on TD's complaint resolution performance are available in the Appendix.

# Access to Banking

## WHY IT'S MATERIAL TO TD

We recognize that access to banking is a critical element for social and economic progress. We continue to remove barriers and make banking more accessible and inclusive, particularly for vulnerable and underserved populations in the financial system. Our investments in this area are a win-win – benefiting both consumers and our company in terms of business growth and deeper customer relationships.

## Management Approach

TD serves a broad diversity of customers across 2,500 communities in North America, and access to our services is a key management priority. We have strategies in place to ensure that products, services and marketing initiatives reflect the communities and cultures that are part of our operational footprint.

In Canada, TD opens personal accounts regardless of whether a person is unemployed, is or has been bankrupt or is unable to make an initial deposit, as long as required conditions are met. TD is involved in many innovative programs to help remove social barriers and increase access, including TD's financial education initiatives, which are discussed in other sections. Our investments in mobile technology, discussed previously, have improved and expanded our customers' ability to access financial services and enabled them to participate in a digital-driven economy.

The fundamental values of diversity and inclusion are ingrained and promoted through our Strategic Framework and Guiding Principles, supported by our Corporate Diversity Office and, at the highest levels, by TD's Diversity Leadership Council (DLC), which reports to the Group President and CEO.



# Access to Banking (continued)

## 2015 Performance



People with disabilities



Newcomers



Aboriginal banking in Canada



LGBT customers

TD continues to improve the accessibility of our banking and investing services across North America. This includes:

- Touch screen ATMs that are fully audio accessible with headphones for persons with visual disabilities.
- The use of design standards that help customers find, understand and interact with information on our digital properties.
- All customer-facing employees receive accessibility training to educate them about TD's accessibility services and about properly serving all customers, including those with disabilities.
- For more information, refer to [Our Commitment to Accessibility](#) website.

We understand that starting again in a new country comes with many challenges. Providing access to banking is a critical part to helping newcomers feel welcome and included. TD offers:

- Service in over 200 languages through Language Line
- 2,800 ATMs in multiple languages
- A New to Canada banking package
- A New to Canada website in 14 different languages that provides immigrants with the information and resources they need to build a financial foundation in Canada

A common barrier for newcomers to Canada without an established credit history is access to credit. We are working to improve our programs to provide newcomers with the credit they need to settle successfully.

TD has a dedicated Aboriginal Banking Group that works closely with our Commercial, Wealth and Retail businesses to ensure a comprehensive approach to serving Aboriginal clients. Highlights include:

- Since 2014, TD has been Gold-level-certified through the Canadian Council for Aboriginal Business (CCAB) Progressive Aboriginal Relations (PAR) accreditation program. PAR is the only certification program of its kind and evaluates companies' Aboriginal relations activities in four areas: employment, business development, community investment and community engagement.
- In 2015, we introduced mobile tablets for Aboriginal communities that help us conduct banking in remote locations and bring financial services directly to those populations.
- We continued to partner with organizations such as the Aboriginal Financial Officers Association of Canada and invested more than \$4.2 million in community outreach to support programs that create opportunities for Aboriginal youth, advance Aboriginal education and financial literacy, and more.

**+ Read TD's Aboriginal Report**



# Product Responsibility

## WHY IT'S MATERIAL TO TD

Our customers expect us to give them financial solutions that help enable better lives. We embed responsible design and marketing into our products, services and communications so that consumers will continue to view TD as an authentic and trusted brand.

## Management Approach

Our goal is to design products and services that help customers manage their day-to-day finances through convenient and timely interactions. We provide personal human experiences and proactive advice and solutions to help people achieve their financial goals.

In planning and developing many of our products, services and marketing communications, TD often uses consultations with consumers (both customers and non-customers) to get their feedback and input. We also engage with stakeholders, experts and representatives from across industries to provide perspective on various initiatives.

Employees who interact with customers receive training on product features and benefits, and Know Your Customer policies. Branch and phone-based sales representatives are trained to use online discussion tools in their conversations with customers. Employees are taught to spend time understanding a customer's financial need in order to suggest appropriate solutions.

## 2015 Performance

### Saving is winning

TD offers many resources to allow customers to build healthy savings habits. Recognizing the importance of saving to long-term well-being, we encourage customers to build their savings through the use of free automated savings plans. There continues to be great uptake of these tools by our customers. By the end of 2015, TD Canada Trust customers had saved \$5.3 billion through automated savings plans, up from \$5.1 billion in 2014.

We also have options designed to help customers reach their savings goals faster. For instance, **Simply Save** helps customers save money every time they use their debit card. In 2015, we continued to support Education Savings Week in Canada through promotions including a strong social media campaign, and our Get Saving website provided videos and self-help tools.

The Canada Learning Bond (CLB) is a government grant that encourages customers to save for a child's future education and we facilitated \$10.4 million in CLB payments in 2015. We are also working with SmartSaver, a non-profit organization that helps eligible low-income families access education funding through government savings plans.

## Headline Performance



### \$5.3 billion saved

by TD Canada Trust customers through automated savings plans in 2015



### Checking account transparency

TD Bank ranked in the top 15 U.S. banks by [WalletHub](#)



# Product Responsibility (continued)

## Helping out in times of need

We encourage customers facing financial challenges to talk to us so we can help get them back on track before it's too late. As a result, customers don't have to resort to potentially more costly and time-consuming alternative means of financing, and we retain customers and avoid costly writeoffs. In 2015, we helped restructure \$109.9 million in loans in Canada, up from \$98.1 million in 2014.

Compared to other banks in the U.S., TD had relatively limited exposure to sub-prime mortgages. TD Bank's Loss Prevention team continued to focus on strengthening customer outreach efforts by expanding the options available and helping customers avoid losing their homes. The value of troubled real-estate assets restructured by TD Bank in 2015 was US\$35.7 million, comparable to US\$36 million in 2014.

## Clear communication

Using clear language is a cornerstone of delivering a legendary customer experience. We want our customers to properly understand their financial rights and options and how our products and services work so they can make informed financial decisions. In the past few years, we have taken additional steps to make various product materials and website information easier to understand. TD has Clear Language Principles that guide our employees and a Clear Language Basics course, to help train employees when writing customer documentation.

For the third consecutive year, in 2015 the Pew Charitable Trusts included TD Bank among the top 50 U.S. banks for disclosure, overdraft and dispute-resolution practices, ranking us 11th for achieving a best-practice designation in four of seven categories. TD Bank also has videos that explain complicated financial terms and language.

## Go Deeper

[Code of Conduct and Public Commitments](#) +

[Low-Cost Banking Options](#) +

[Understanding TD Products](#) +



TD Bank explains checking accounts

[Watch video >](#)



"Success in today's competitive banking marketplace requires doing many things well – having the right products, offering the right customer experience, building a distinctive brand and communicating a credible and compelling message. TD Bank has put together a small business program that yields success across these areas and makes them stand out in the marketplace."

Michael Ennamorato,  
Managing Director of TNS, a global research consultancy



# Financial Education for Customers

## WHY IT'S MATERIAL TO TD

With so many choices available for saving, spending, borrowing and investing, financial education is more important than ever. As an active and essential part of the daily life of millions of customers, we strive to provide tools to our customers to help them make the best financial choices.

## Management Approach

Our goal is to help educate and enable customers so they are better equipped to ask the right questions and ultimately make sound financial decisions. Our Financial Education Council oversees financial education activities across TD, working to further embed financial education in the bank's overall approach to product development, community activities and engagement with employees, customers and the public.

We strive to educate our customers by giving them a wealth of educational material, tools and services geared to helping them understand TD products and services and build their personal financial skills. We train our employees to take sufficient time to explain issues and answer questions, and make product and fee information readily available in our branches, stores, investment centres and websites.

Each year, thousands of TD volunteers spend their free time helping people understand how to manage money wisely – not just in TD branches and stores, but in the communities where we live and work. Find out more in the [Community section](#) of this report.

Recognizing that people approach financial matters in very different ways, we continue to explore new models of delivering financial education and advice to support the diverse information needs of our customers.

## 2015 Performance

### Q&A service for consumers

TD Helps is an online community created by TD that encourages both customers and non-customers to ask questions about home ownership, saving/managing money, borrowing/managing debt and investing/planning retirement. People receive answers from TD experts, helping them make good financial decisions. Unlike other sites that simply offer FAQs, TD Helps provides real and timely solutions through personalized and specific answers which are posted within hours.

In 2015:

- TD Helps Canada received 46,067 questions. Site traffic was up 42%, with 4.2 million visits versus 2.4 million visits in 2014.
- We expanded the program to the U.S., and in its first year TD Helps U.S. received 26,584 questions, with site traffic of 1.4 million visits.



72,651

Number of financial questions answered in 2015 by our TD Helps teams in Canada and the U.S.



# Financial Education for Customers

(continued)

## Educational tools and resources

TD has several websites that provide customers with videos, articles, checklists and tips on managing day-to-day finances, including improving cash flow, how to be a better saver and finding your spending hot spots. Sites include:

- Advice on Everyday Finances
- Spending Smart at School
- Financial Planning for the Modern Family

In 2015, we launched a number of new tools, including an enhanced Financial Education Resource Centre, Money Quiz for Parents, Smart Money Toolkit for Parents and more.

## Awareness and outreach

In Canada, for the Financial Literacy Month in November, we ran a #FinanciallyFit campaign throughout our branches to promote financial literacy and draw attention to TD's financial education resources. Branches were provided with FinanciallyFit Starter Kits to use with customers, and we gave away 60,000 savings calculators and 110,000 [Money Fun Activity](#) books. We also used highly targeted, engaging traditional and social media to extend our reach.

TD offers hundreds of free seminars each year on topics such as buying a home and making investments. For example, in 2015 we delivered 690 financial education seminars in the U.S. for both personal and small business customers.



## Employee initiatives

In 2015, we increased employee awareness of, and engagement in, TD's financial education programs. We launched a financial education site specifically for employees, as well as a financial education social community on our intranet. Now employees can access a range of webinars, videos and articles they can use to support their clients in asking better questions and making sound decisions.

## Go Deeper

[TD Financial Education Website](#) +

[TD Bank Fiscal Fitness](#) +

## SPOTLIGHT

### Leading TD's efforts to strengthen financial education



**Linda MacKay** is Chair of TD's Financial Education Council and SVP, Greater Toronto Region. We asked Linda for her perspective on TD's role in financial education.

#### Q: What's the key to making an impact on financial literacy?

Financial illiteracy is a complex issue that requires a multi-pronged approach. Schools have a role to play in creating financially informed young people. Parents can talk about money matters at home to make financial skills relevant to real life. And organizations across

sectors have a role to play if we are to make meaningful progress across society.

#### Q: How is TD addressing the problem?

Our goal is to be a driving force behind financial literacy for our customers, communities and employees. In recent years, we have amplified our efforts because people of all ages continue to struggle with personal finance as studies show. Since 2010, TD has invested over \$15 million to support financial education programs across North America and the U.K., and over 3,000 TD employees volunteer each year to teach free financial seminars. We have also expanded our [online](#) financial education resources for customers and employees.

#### Q: What lies ahead?

We're harnessing innovative technologies to help people experience and understand personal finance – like our new [Family Allowance App](#) that teaches kids about saving. We're also putting into practice the findings of the [State of Financial Education in Canada](#) report, conducted in 2015 by Canadian Foundation for Economic Education on behalf of TD. It's a call to action to support parents and teachers, who are critical influencers on children's financial education. We're focused on equipping them with resources they can use to help kids build financial skills. It's important to reach young people because behaviours are developed at an early age and are much more difficult to modify later in life.



# Economic Value

## WHY IT'S MATERIAL TO TD

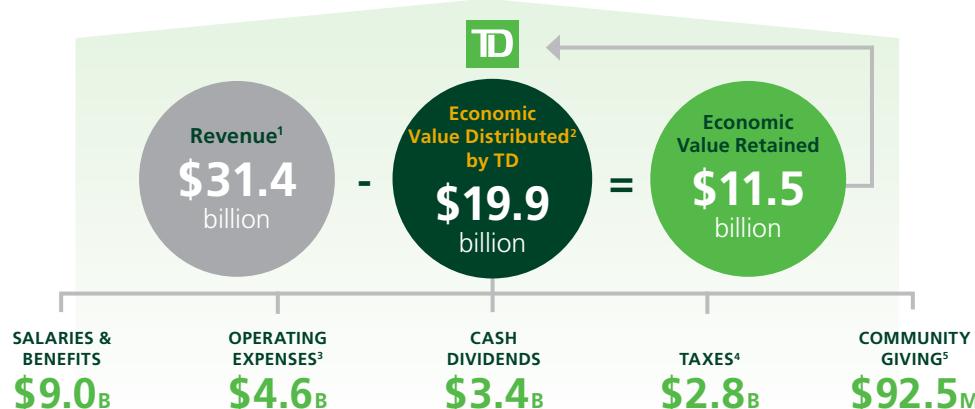
Healthy economies need healthy banks and vice versa. Maintaining a strong business with solid revenues allows us to pay our employees fair wages and benefits, compensate our suppliers, support local small business, contribute to government revenues through taxes and provide dividends to our shareholders.

## Management Approach

TD's business strategy is to produce long-term, profitable growth by building strong franchises and delivering value to customers, shareholders and the broader community. We aim for repeatable and growing income streams, focus on customer-driven products and take on only risks that we understand and can manage.

By providing banking, wealth and insurance products and services along with customized financial advice, we help our customers improve their lives by making better decisions with their money.

## 2015 Performance



<sup>1</sup> Amounts based on International Financial Reporting Standards. See the bank's 2015 Annual Report for more information.

<sup>2</sup> Economic value distributed as defined by the Global Reporting Initiative. Source EC1.

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

<sup>4</sup> Includes payroll taxes, sales taxes, municipal and property taxes, insurance premium taxes, business taxes, capital taxes.

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

## Supporting Small Business Owners

Small businesses are a powerful force in local economies and critical catalysts in driving prosperity across all sectors. TD is committed to helping support the success of small businesses by offering advice, access for financing and specialized services.

### 2015 Highlights – Canada

- To better assist small business customers who have complex banking needs, TD Canada Trust has dedicated account managers where our customers do business across Canada. These specialized advisors seek to understand the unique needs of each business, offer advice, proactive and innovative solutions, provide expert advice and help customers obtain the right products and services.
- We simplified processes for opening accounts and getting pre-approved credit.
- We provided small-business customers with 29,000 loans and other credit facilities totaling over \$1.7 billion in new and increased credit authorizations, up from \$1.5 billion in 2014.
- For Small Business Month in October, TD was the Official Partner of *Big Dreams*. We shared ad space – both online and in print – that enabled small business customers like Vancouver's Timbertrain Coffee Roasters to promote their services. Throughout the month we also hosted educational events in retail branches and communities.

### 2015 Highlights – U.S.

- We provided 30,933 small-business loans (new and existing) totaling more than US\$2.2 billion, with 86% of these loans for amounts less than \$100,000.
- For Small Business Month in May, TD Bank kicked off an integrated marketing campaign in which we rewarded small business customers with promotional rates and held more than 350 small business seminars aimed at giving business owners tools to grow their companies throughout our Maine to Florida footprint.
- TD Bank ranked as the Highest in Customer Satisfaction with Small Business Banking in the Northeast Region, according to the 2015 J.D. Power Small Business Banking Satisfaction Study.<sup>1</sup> This is the second time TD Bank captured the trophy in the Northeast, following a win in 2013.
- TD Bank won the 2015 TNS Choice Award for Small Business Banking in the U.S. The award, from global research consultancy TNS, recognizes outstanding national performance in serving small businesses.

<sup>1</sup> TD Bank, N.A. received the highest numerical score in the northeast in the proprietary J.D. Power 2015 Small Business Banking Satisfaction StudySM. Study based on 8,086 total responses, measuring 8 financial institutions in the northeast (Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont) and measures opinions of small business customers with annual revenues from \$100,000 to \$10 million. Proprietary study results are based on experiences and perceptions of customers surveyed in July-August 2015. Your results may vary. Visit [www.jdpower.com](http://www.jdpower.com).



# Workplace



To be The Better Bank, we foster an environment where employees can thrive and deliver legendary service to our customers. That's why we have a strong focus on ensuring TD is an extraordinary workplace.

## Material aspects in this chapter

Employee Engagement	24
Diversity and Inclusion	26
Health and Wellness	29

## Diversity Leader

Named one of the **Top 50 Companies for Diversity** in the U.S. for the 3rd year in a row – and rated #2 in the **Top 10 Companies for Diversity Councils** by Diversity Inc.

**\$83.4 million**

invested in training and developing our people.

**81%**

Best-in-class employee engagement score.<sup>1</sup>

<sup>1</sup>This is a best-in-class level of engagement as defined by the Aon Hewitt Employee Engagement Index and the Great Place to Work survey, the two industry benchmarks we use to gauge our performance.



# Helping Employees Thrive



**A message from Sue Cummings**

**Executive Vice President, Human Resources**

TD's business strategy is to place our customers, our employees and our communities at the center of everything we do. We have a simple but powerful philosophy: engaged, happy & healthy employees deliver legendary customer service, make a difference in their communities and create shareholder value.

We continue to focus on understanding what matters to our existing employees and to those who may consider joining

TD. We asked employees to identify the most important aspects of working at TD. What we heard back were three key things: to do work that matters, to be guided by inspiring leaders, and have opportunities to grow and develop a career that matches their aspirations. That's why we're constantly updating our leadership practices, tools, education and training to help our employees develop and grow. And we continue to support employees through flexible work options that help integrate their work and personal lives, supported by better tools and technology.

TD continues to build a culture of innovation by encouraging employees to participate in ideation challenges, through which we've captured more than 10,000 ideas to help develop the future of digital banking.

Although the world is changing at an increased pace, there are many aspects of TD's work culture that remain constant. We are fully committed to being a place where employees can bring their "whole self" to work and do their best. TD is working to broaden inclusion beyond the traditional diversity categories, to build a culture that values everyone's diversity of thought and experiences.

**Named one of the **50 Best Employers in Canada** for the 7th consecutive year**

Aon Hewitt

**For the 10th year in a row, TD was named one of the **Best Workplaces in Canada****

Great Place to Work Institute

**Named one of the **Top 100 Employers in Canada** for the 8th year in a row**

Mediacorp



# Employee Engagement

## WHY IT'S MATERIAL TO TD

TD's goal is to engage our people so they feel inspired and supported. It's an important part of our entire business strategy and one of the ways we strive to differentiate TD as a best employer. We want to create a unique and inclusive environment where employees can do work that matters, have opportunities to grow and feel inspired by our leaders.

## Management Approach

To cultivate a highly engaged workforce, we:

- Work closely with our employees to understand and respond to what matters to them
- Give them wide-ranging opportunities to learn and develop so they can reach their full potential
- Engage our managers and leaders, helping to design and deliver a positive, inclusive work environment
- Communicate openly and regularly about TD's mission, values and culture – encouraging dialogue across the organization

## 2015 Performance

### Global engagement survey

In 2015, 86% of our employees participated in our annual company-wide engagement survey called TD Pulse, which gauges attitudes about working at TD so that we better understand both our strengths and challenges.

- Eighty-one per cent of our employees reported being engaged compared to 82% the previous year (the actual engagement score on a five-point rating scale was 4.17 in 2015 versus 4.20 in 2014). While results remain strong, employee feedback reflected concerns related to organizational change, improving processes and technology and providing support for managers in their day-to-day management tasks.
- Employees told us that TD is doing the right things to make a positive impact on the communities in which it does business and that they see a clear link between their work and TD's priorities.

Management teams across the company use the survey results, which are analyzed by business area, region and demographic groups, to drive ongoing improvements in our workplace practices.

### Organizational review

In 2015, we made a dedicated effort to optimize our operations and undertook a comprehensive review of our organizational structure. Given the significant growth TD has experienced over the last decade, including a number of acquisitions, we took measures to become a more productive and responsive company and make it easier for our customers to do business with us. The restructuring was part of TD's ongoing focus to adapt to our current environment, while building for the future by advancing our digital and mobile capabilities. This review resulted in some roles being changed or eliminated. For those employees affected, we focused on treating them fairly and with respect through the process.

### Retention

TD's average global turnover (voluntary and involuntary) increased to 21.34% from 18.40% in 2014. Voluntary turnover was 10.95% in Canada and 22.61% in the U.S. Voluntary turnover rates are higher in the U.S. banking industry, including TD's U.S. operations. Reducing voluntary turnover there remains a priority. Major efforts underway include improving our new-hire processes to better match skills for key roles, focusing on part-time/temporary employees and their unique needs, and for all employees, increasing awareness of career development, coaching and mentoring opportunities.

## More Than Just Work



**87%**

of our new hires tell us they are excited about their personal and professional opportunities at TD

**85%**

of employees say they are proud to work for TD

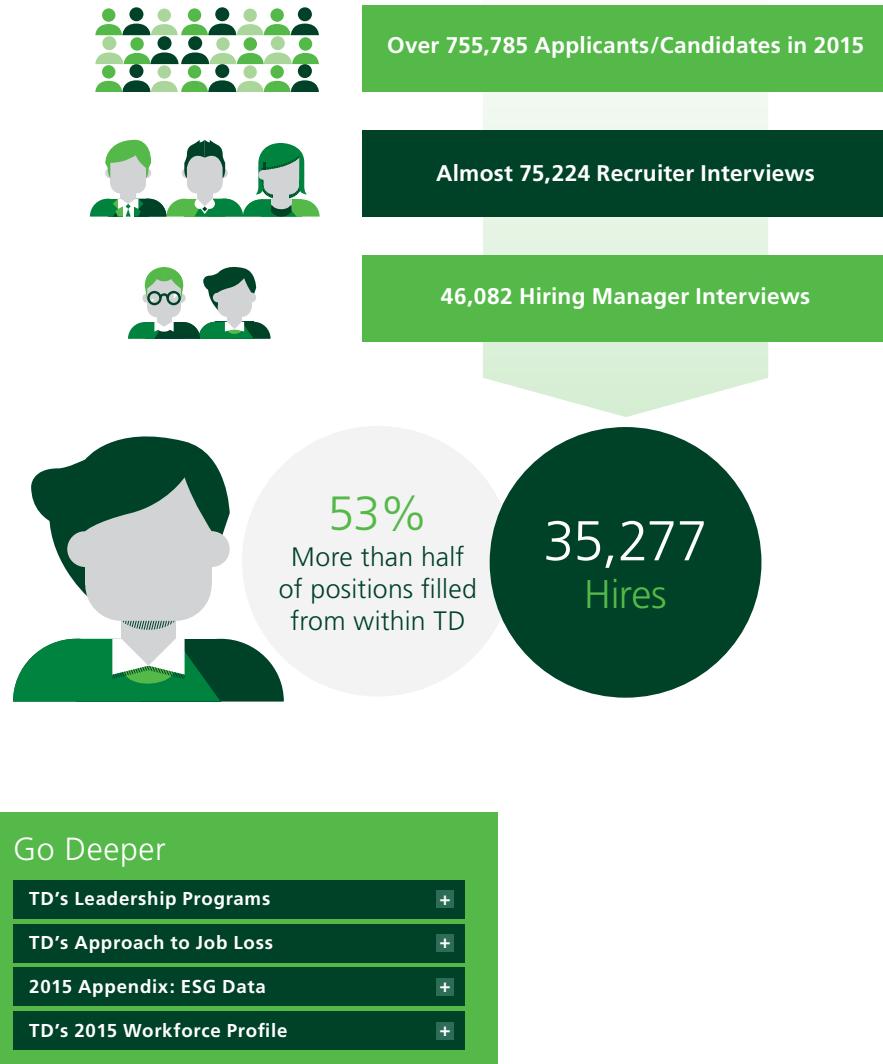
**87%**

of employees agree that TD supports their ambitions to get involved in corporate responsibility initiatives



# Employee Engagement (continued)

## Investing in talent



## Training

In 2015, we spent \$83.4 million globally on training and development, representing an investment of \$877 per employee. Highlights include the following:

- We offered career coaching, mentoring and 1,000+ training courses (classroom and virtual).
- Employees completed more than 2 million e-learning courses through TD's Learning Management System, including mandatory compliance courses.
- Executives and managers completed 80,913 leadership-development courses, helping them understand and apply TD's business strategy, leadership values, culture and talent priorities.
- About 16,000 employees participated in TD's Career Month, a time dedicated to highlighting career-planning resources and required skills for various business lines.
- To help employees build new skills and experiences, we introduced a new Short-Term Assignment Policy, so that employees can apply for assignments without losing their status in their current role.

TD continues to invest significantly in campus programs to attract and develop the next generation of leaders. For example, we provide paid internships, have co-op programs with colleges and universities and offer unique rotational programs that allow recent graduates to explore different career options at TD while building their network and industry knowledge. Both interns and early-career hires receive mentorship from senior employees on career development.

In 2016, TD will have 1,355 employees who have worked here for 25 or more years – that's over 34,000 years of service.

Named a **Training Top 125** winner in the U.S. for the ninth consecutive year

*Training magazine*



# Employee Engagement (continued)

## SPOTLIGHT

### A three-generation family affair



Walter Clifford Armstrong (centre) with his clerks in 1903

#### Alison Brien

Global Security & Investigations

Employees often speak of the "TD Family" to express the camaraderie felt at work. For Alison Brien, working at TD is literally a family affair. Both her great-grandfather, Walter Clifford Armstrong, and her grandfather, Jack Clifford Armstrong, worked for TD (the Dominion Bank in the case of the former).

The story starts 125 years ago when Walter joined the Dominion Bank in 1890 and became the first branch manager of Winnipeg, Manitoba's North End branch, which opened in 1897. Many years later, his son Jack managed a branch in downtown Toronto.

"TD green must be in our blood," says Alison, who joined the bank in 2007 and now works in our Global Security & Investigations office in Toronto, Ontario. "I've never heard of families with three generations who have worked here. Following in the footsteps of my grandfather and great grandfather gives me a definite sense of pride and, while no longer with us, I know they would be really happy that the 'TD legacy' continues within our family."

# Diversity & Inclusion

## WHY IT'S MATERIAL TO TD

We view diversity and inclusion as a business imperative. Achieving our goal to be a leading North American bank depends on understanding and reflecting the people, cultures and communities where we operate. It's how we can attract and retain the best people, and gain a richer range of experience, thinking and ideas that strengthen our business.

## Management Approach

Diversity and inclusion has been a business strategy at TD since 2005. Our goal: to create a culture in which *all* employees thrive and *all* customers are welcome. Over time, we have embedded diversity and inclusion into every aspect of our business – from our workplace practices to our customer relationships to our community involvement.

The Diversity Leadership Council (DLC), which comprises senior leaders across TD, sets the strategy and oversees our progress on diversity and inclusion. In 2015, Riaz Ahmed (Group Head & CFO) assumed leadership of the DLC, succeeding Bharat Masrani (Group President & CEO), who had been chair for three years. The DLC is supported by more than 300 leaders who are active on diversity subcommittees and regional councils, a Corporate Diversity Office and diversity-management systems.

In the workplace, our efforts include diversity training programs for management and employees, mentoring tools and programs, employee networks and resource groups, and opportunities to share ideas and experiences. We also integrate diversity and inclusion into our recruitment practices, and every new hire undergoes diversity-awareness training. Our long-standing workplace policies and guidelines support our commitment, and the fundamental values of diversity and inclusion are ingrained and promoted through the bank's Strategy Framework, Guiding Principles and Leadership Profile.

Additionally, we strive to be a model of successful diversity and inclusion for our customers and communities. Learn more about our efforts:

- [Access to Banking](#)
- [Community Investment](#)



# Diversity & Inclusion

(continued)

## 2015 Performance

We continued to achieve positive results in 2015. For example:

- Over 90% of employees said that TD values diversity in the workplace.
- We had 36% women in VP levels and above, up from 30% in 2007.
- Minorities held 13% of VP levels and above, up from 7% in 2007.
- There was a high level of engagement in diversity and inclusion forums and initiatives.
- Survey results show women and men share equally high confidence in meeting career objectives with TD.
- TD continued to be externally regarded as a leader in diversity and inclusion, garnering numerous awards across North America.

Examples of our activities last year for diverse communities are highlighted in the table on the next page.

**TD has contributed \$1.2 million to further the work of Equitas on human rights in Canada.**

**+ Read the case study**

## Go Deeper

Diversity Website	+
Diversity & Inclusion at TD: 10 Years and Counting	+
Employment Equity Report	+
Women in Leadership	+
TD and Aboriginal Communities in Canada	+
LGBTA Report – Building Pride	+

TD continues to innovate and evolve when it comes to diversity and inclusion. This past year we launched our 2015–2017 Strategic Plan with five new priorities to reinforce and enhance diversity and inclusion at TD (see chart). To date we have made progress on all five priorities, which have helped us maintain high levels of employee awareness and engagement around diversity and inclusion. Representation numbers remain a focus and we continue to measure and track progress.

## DIVERSITY & INCLUSION: 2015–2017 STRATEGIC PRIORITIES

Priority	Progress Made in 2015
<b>Accountability:</b> reinforce business leader accountability for diversity and inclusion outcomes	Set three-year goals for each business and are tracking progress with quarterly reporting
<b>Talent:</b> recruit, develop promote diverse talent	Delivered Unconscious Bias training to executives and instituted a requirement for diversity in candidates for all AVP and vacancies
<b>Inclusive Leadership:</b> improve capability and accountability at all levels to create an inclusive employee experience	Defined inclusive leadership behaviors for TD
<b>Winning in the Marketplace:</b> maintain leadership or increase market share in priority communities	Created targeted initiatives to support and drive business in each market of focus
<b>Organization:</b> drive accountability with the right people doing the right work	By early 2016 the enterprise Diversity leadership council, and each of its subcommittees, will be expanded and realigned to ensure accountability and representation across all businesses.



# Diversity & Inclusion (continued)



## Women in Leadership (WIL)

- Grew online engagement on our WIL Connections Community to approximately 10,000 members, up 3,000 members year over year. Of particular interest was a series, #What'sYourStory featuring video vignettes of talented TD women.
- Expanded our U.S. mentoring program, Emerging Leaders, by matching 450 aspiring female leaders with mentors.
- TD's Norie Campbell and Carol Osler were recognized by WGN's 2015 Canada's Most Powerful Women Top 100.



## Aboriginal Peoples in Canada

- Significantly increased employee engagement on Aboriginal issues.
- During Aboriginal History Month, Wab Kinew spoke to an audience of over 1,000 TD employees.
- Over 100 employees attended a panel on Indigenous Women in Leadership featuring three women chiefs of First Nations. Feedback was very positive, and employees tell us they want more events like this to learn about Aboriginal history and culture.



## People with Disabilities

- Over 2,400 employees benefited from ergonomic modifications and accommodations that included more than 1,000 pieces of assistive technology.
- Partnered with Toastmasters to form the first club to engage employees with visible and invisible disabilities to improve public speaking and leadership skills.
- Developed online training to educate people managers on hiring, accommodating and including people with disabilities on their teams.



## LGBTA

- Created a video to educate employees about homophobia and transphobia, which garnered enormous support from employees and positive response in the community.
- Updated our Transitioning in the Workplace Guidelines, and worked with the 519 Community Centre in Toronto, Ontario to sponsor a *Gender Identify and Gender Expression in the Workplace Toolkit*.
- Joined other employers in signing an amicus brief (court document) to support petitioners in a marriage equality case pending before the U.S. Supreme Court.



## Visible Minorities

- Over 100 employees participated in the Visible Leadership Program, a two-day program engaging employees from visible minority groups to strengthen their ability to lead and communicate authentically.
- Created three group-mentoring cohorts led by senior executives to engage, inform and inspire visible minority employees.
- Hosted employee road shows focused on effective development plans and mentoring.



## Veterans in the U.S.

- Appointed a strong leader for this new area of focus.
- Began building an employee resource group to focus on opportunities for veterans and help them transition from active duty to the workplace.
- Created a recruitment campaign for veteran talent.

Recognized as one of **Canada's Best Diversity Employers** for the 4th consecutive year

Mediacorp

Named one of the **Top 50 Companies for Diversity** in the U.S. for the 3rd year in a row

Diversity Inc.

Rated among the **Top 10 Companies for Diversity Councils**

Diversity Inc.

Named among **The Best Places to Work for LGBT Equality in the U.S.** seven years in a row

Human Rights Campaign Foundation



# Health and Wellness

## WHY IT'S MATERIAL TO TD

Every day our people deliver experiences that help enable better lives for our customers. That's why we need employees who are healthy, happy and highly engaged.

## Management Approach

Helping employees thrive personally and professionally is a priority for TD, as evidenced by the extensive range of plans and programs we provide.

For wellness, our focus is on helping employees assess, manage and improve their physical, mental/emotional and financial well-being. One of the ways we help employees care for their physical health is through our comprehensive health benefits packages. We also offer an employee assistance program that provides third-party counselling to help deal with a wide range of life events and a robust set of competitive pension and savings plans to help employees meet their financial goals.

For workplace health and safety (H&S), our focus is on continually monitoring and mitigating safety risks relevant to our business. These primarily include slips, trips and falls, ergonomic conditions (e.g., repetitive strains) and injuries related to lifting.

## 2015 Performance

### Supporting flexible working

We view workplace flexibility not just as an employee benefit, but also as good business strategy. Flexibility is a two-way street: It helps employees balance their responsibilities at work, at home and in the community, while helping TD foster higher engagement and better productivity. In 2015, we continued to offer our comprehensive Flexible Work Options Program, which includes:

- Job sharing
- Shortened work weeks

## Go Deeper

Health and Safety Performance –  
2015 Appendix: ESG Data



- Reduced summer schedules
- Gradual back-to-work transitions
- Working from alternate locations
- Work access through personal devices (BYOD)

We also focused on raising employee awareness by training people managers about the various flex options available, promoting work-life balance through a Flexibility@TD Committee (comprising senior representation from all business units) and sharing real-life success stories.

### Minimizing safety risks

We are pleased that work-related injuries decreased in 2015, and we continue to increase awareness among employees that we all play a role in workplace safety. During the past year:

- In Canada, we reviewed our occupational H&S programs. This resulted in enhanced H&S processes and communications, including an improved H&S website for employees.
- In the U.S. we enhanced our online ergonomics tool (ErgoAdvocate) by adding relevant content for front-line employees to complement our existing back-office training. We continued to work with our external insurance vendor to analyze injury trends in our workplace and identify what more TD could be doing in terms of prevention. We also developed a safety-training module for all our fleet drivers, which will launch in 2016.

## SPOTLIGHT

### Flex work helps me be more productive



**Manjit Tamber**  
TD Securities

Since 2007, I've participated in various flex time and flex place arrangements, all in TD Securities, and without these I could not have achieved my desired work-life balance. Participating in flex has enabled me to support a full-time career while remaining active in the lives of my three children. The opportunity has shown me that TD is truly a great place to work. It's motivated me to work even harder than I normally would have and resulted in even the greatest skeptics seeing that flexibility can actually increase productivity.



# Environment



TD is a North American environmental leader. We recognize that economic growth and environmental stewardship are complementary, so we operate by embedding an environmental perspective in our business strategy.

## Material aspects in this chapter

Measuring our Impact	32
Climate Change	33
Responsible Finance and Investing	35
Eco-Efficiency	38
Employee Engagement	40

Ranked third globally among 20 top performers for managing climate change risk, with TD leading all banks.



Named one of Canada's Greenest Employers for the seventh consecutive year.  
(Mediacorp)



# The Environment as a Key Driver of the Economy



## A message from Karen Clarke-Whistler

### Chief Environment Officer, TD Bank Group

The TD brand has been connected with the environment for more than 25 years. Through the TD Friends of the Environment Foundation we have supported and collaborated with environmental groups on over 24,000 local environmental initiatives.

In 2007, we set out to embed an environmental perspective in our overall business strategy, an approach aimed at both reducing risk and generating business value. In 2010, we set challenging five-year goals and targets and had met or exceeded most of these by the end of 2015, demonstrating the strong link between environmental performance and strong business results.

#### Preparing now for the future – 2016 and beyond

We are living in a time of change in which traditional social conventions and economic models are being challenged. As a society, we know what we want our destination to be – a prosperous and sustainable low-carbon economy. We believe this is possible and that as a major bank committed to environmental leadership we have a key role to play in the transition to this new economy. The opportunities it brings far outweigh the costs.

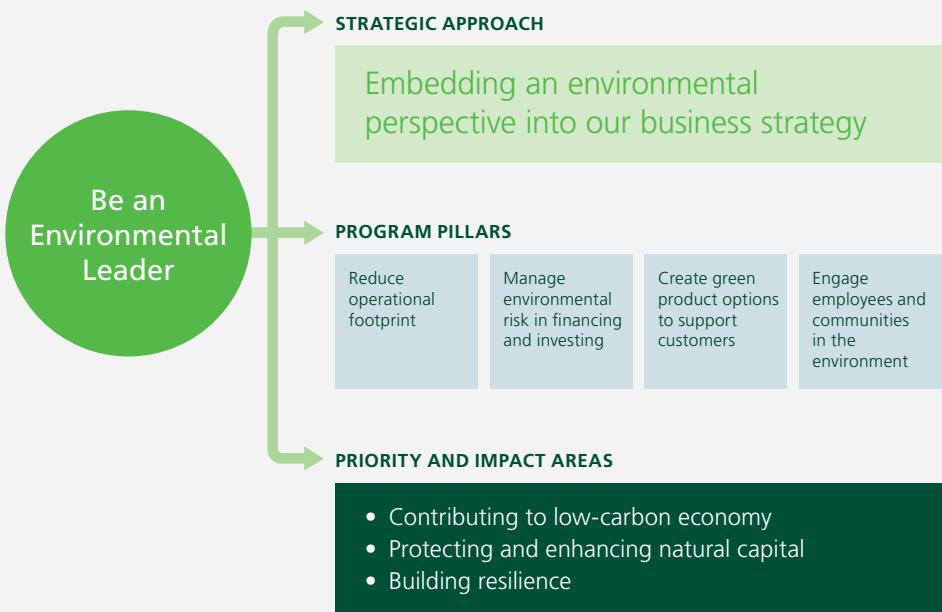
As we refresh our environmental strategy over the course of 2016, we need to ask ourselves: What do we want the planet to look like in 2030? In 2050? What should we be doing now to prepare? Key considerations as we develop our 2016–20 strategy will include:

- **Low-carbon economy:** New North American national and regional carbon policies and regulations are currently in development. Our business needs to support this transition.
- **Climate resilience:** Changing temperature regimes and increases in severe weather events are a reality in many regions in which we operate.
- **Livable cities:** Today, 54% of the global population lives in urban areas, up from 34% in 1960, and this trend continues to grow.<sup>1</sup> The livability of these areas will drive their economic success – better public transportation, low pollution, energy efficiency and green spaces are vital.

<sup>1</sup>World Health Organization data on urban population growth.

- **Natural capital as a tool for measuring impact:** Natural capital provides a means of measuring the dollar value of environmental benefits. TD is committed to continuing to lead in the development of natural capital assessment methods and in factoring it into our decision-making.
- **Collaboration:** The global environmental challenges that face us today cannot be solved by any one group. Collaborations among usual and unusual partners are key.

## TD Environmental Strategy (2010–2015)



Karen Clarke-Whistler, TD's Chief Environment Officer, honoured for her "contribution to clean capitalism" – named as a financial industry sector leader for the second time.



# Measuring our Impact

Understanding the full impact our environmental initiatives is challenging, because there are many different ways to quantify the impact (e.g. kWh saved, emissions saved, dollars invested, etc.). Natural capital valuation lets us assess our impact through an economic lens and provides a common approach to measuring impact. Here are some examples of how we are working toward applying this methodology to our key initiatives:



What is **natural capital** and why is it important?

BUSINESS OPERATIONS		GREEN PRODUCTS & FINANCING		COMMUNITY	
Initiative					
Action					
Be carbon neutral	Energy efficiency	Financing the low carbon economy	Green insurance discounts	Grow and enhance green spaces	TD Friends of the Environment
Purchase RECs & offsets equivalent to TD's electricity use and GHG emissions	Reduce energy use in our operations	\$500 million TD Green Bond issuance	Insurance discounts for hybrid and electric vehicles	Protect critical forest habitats	Fund grassroots environmental initiatives
<b>Impact</b>					
<b>Since 2010:</b> <ul style="list-style-type: none"><li>\$13.5 million invested</li><li>Offset over 1.5 million tonnes CO<sub>2</sub></li></ul>	<b>Since 2010:</b> <ul style="list-style-type: none"><li>\$38 million invested</li><li>79 million kWh saved</li><li>14,000 tonnes CO<sub>2</sub> avoided</li></ul>	<b>In 2014:</b> <ul style="list-style-type: none"><li>\$500 million issuance</li></ul> <b>In 2015:</b> <ul style="list-style-type: none"><li>160,000 MWh energy saved/green energy generated</li><li>20,419 tonnes CO<sub>2</sub> avoided</li><li>\$1 billion in green bond underwriting</li></ul>	<b>At 2015 end:</b> <ul style="list-style-type: none"><li>16,605 active hybrid and EV insurance discounts</li></ul>	<b>Since 2012:</b> <ul style="list-style-type: none"><li>Helped to protect 58,000 acres of critical forest habitat</li></ul>	<b>Since 1990:</b> <ul style="list-style-type: none"><li>\$76 million to over 24,000 local environmental projects</li></ul>
<b>2015 natural capital value</b>		<b>2015 natural capital value</b>		<b>2015 natural capital value</b>	
\$34 million		\$2 million		\$3.5 million	

+ See our full Environmental Impacts table



# Climate Change

## WHY IT'S MATERIAL TO TD

Climate change is a global issue that touches every part of our business. Our customers, employees and community stakeholders want to understand how we are managing the risks and what steps we are taking to enable the transition to a low-carbon economy.

## Management Approach

### Our climate change position and strategy

TD is committed to understanding the impacts of climate change. Since 2009 we have taken a comprehensive, long-term approach by setting goals and targets, embedding considerations of climate-change-related issues and opportunities throughout our entire business and being transparent about our actions, positions and performance.

Our overall approach is summarized here, and the specific steps we're taking are discussed throughout the section. Our strategy addresses both key elements of climate change:

#### 1. Mitigation: Reducing greenhouse gas (GHG) emissions

We apply a continuous improvement approach to reducing our direct and indirect GHG emissions. Through our finance and investing businesses we work with our clients to support the transition toward a low-carbon economy. We collaborate with a large and diverse group of environmental stakeholders to promote solutions-based dialogue and action.

#### 2. Adaptation: Increasing resilience to a changing climate

We are actively studying the impacts of climate change on the "built" (i.e., man-made) environment and infrastructure and adapting our businesses. TD Insurance is on the front line of this effort. With the increase in frequency and intensity of [severe weather events](#), we are adapting our policies, processes, products and even the way we interact with employees and customers to help address the risk and build resilience.

## Go Deeper

2015 List of Stakeholder Groups and Discussion Topics



## 2015 Performance

### Mitigation

In 2015, we continued to demonstrate leadership in the management and reporting of carbon emissions by:

- Reducing our carbon footprint and applying an internal price of carbon of \$9 per tonne of CO<sub>2</sub>e based on the costs to purchase carbon offsets and renewable energy credits (RECs) as well as the cost of managing TD's GHG inventory
  - Lending and investing in low-carbon companies and projects and providing low-carbon products to our customers
  - Providing thought leadership to advance policy and action
  - Engaging our employees and communities in actions to reduce carbon emissions
- As a result of our efforts, TD has received global and North American recognition for climate leadership.

## Tackling Climate Change: TD's Approach

### Mitigation

#### Reducing GHG emissions

- Green buildings
- Generating renewable energy through on-site solar panels
- Purchasing RECs and carbon offsets
- Energy Efficiency initiatives
- Sustainable transportation

### Adaptation

#### Increasing resilience

- Enhancing risk management
- Innovation in our insurance business
- Building and infrastructure retrofits
- Supporting community resilience projects, green infrastructure and enhancement of natural capital



# Climate Change (continued)

## Adaptation

In 2015, we continued to expand and share our expertise relating to resilience:

- TD Insurance became a signatory to the United Nations Principles for Sustainable Insurance (PSI) in 2014. We continue to contribute to the development and implementation of the principles and have embedded them into our own risk management approach.
- We continued to fund research and support collaborative approaches aimed at improving disaster resilience through leading industry associations and research institutions such as the [Institute for Catastrophic Loss Reduction](#) (ICLR), the Atmospheric and Environmental Research (AER) [Emerging Risk research program](#) and the Alberta Severe Weather Management Society, and participated on the [Insurance Bureau of Canada's](#) Adaptation to Climate Change Committee.
- We provided [funding for bio-swales](#), which are landscape features designed to reduce flooding in residential neighbourhoods.
- A groundbreaking study by The Nature Conservancy, partly funded by TD, entitled [Urban Coastal Resilience Report](#), looked at ideas for protecting cities from the impacts of climate change. Using Howard Beach in Queens, NYC, as a case study, the report shows that combining natural systems with traditional coastal defences offers the most benefits for protecting vulnerable coastal communities from rising sea levels, storm surges and flooding.

"TD displays leading management of climate change risks."

Boston Common Asset Management,  
Impact Report 2015



## A Decision to Lead

Read "[Preparing for a New Climate Reality](#)" on page 9 of this report for TD's response to the outcomes of COP21 and how we have been preparing for nearly a decade.

## Top-scoring Canadian financial institution

CDP Climate Disclosure  
Leader 2015

TD received the U.S. EPA Green Power Leadership Award for sustained excellence in green power  
EPA Green Power Partnership

TD placed 4th globally for best disclosure of carbon emissions in the Corporate Register CR Reporting Awards

Corporate Register CR



## Go Deeper

- TD's Environment Policy +
- UN Principles for Sustainable Insurance +
- 2015 Appendix: ESG Data +



# Responsible Finance and Investing

## WHY IT'S MATERIAL TO TD

Our customers are asking for greater understanding and transparency with respect to the management of environmental and social issues. Our responsibility is to demonstrate that we are managing risk and identifying opportunities across all of our businesses whether they serve corporate clients and institutional investors, retail customers or small businesses.

## Management Approach – Lending

- We manage environmental and social (E&S) risk based on a life-cycle approach that begins well before our formal engagement with a client and continues throughout our relationship.
- TD's E&S Risk Policy for Non-Retail Credit Business Lines applies to all general corporate-purpose, project and fixed-asset financing.
- Our risk management procedures are based on a progressive five-step process that includes a review of the borrower's policy, process and performance.
- We do not finance transactions relating to development within World Heritage sites, activities that would result in the degradation of protected critical natural habitats, the mining of conflict minerals, and other prohibited transactions. [Read the full list](#).

## 2015 Performance

### Environmental Risk Assessment

Every year we review TD's lending portfolio to assess our exposure to environmentally sensitive industries. Approximately 5% of TD's total lending is to industries we have identified as environmentally sensitive based on high carbon emissions or high water use.

### Go Deeper

[TD's Environmental and Social Risk Process and Prohibited Transaction List](#) +

[2015 Carbon and Water Risk Assessment](#) +

71% of TD's lending is low-risk personal and residential lending.

### TD's Total Lending by Sector<sup>1</sup>



Sector	%
Personal and Residential	71%
Retail and Service	11%
Manufacturing & Transport	7%
Commercial Real Estate	5%
Government	3%
Natural Resources	3%

<sup>1</sup> All lending information derived from TD's 2015 Annual Report, table 23. Figures include loans in Canada and U.S.

### Environmentally Sensitive Lending

(Approximately 5% of Total Lending)



**TOTAL**  
**\$29 billion**

### Environmental Enhanced Due Diligence

TD's Environmental and Social Credit Risk policy applies enhanced due diligence to deals from specific sectors including Thermal Power, Pipelines Oil and Gas, Mining and Forestry. In 2015, 198 deals were subject to sector-specific due diligence. In 2016, we will be updating our environmental and social risk assessment and our sector-specific due diligence.

### Equator Principles

Our 2015 reporting reflects the new requirements of Equator Principles III, applicable to project and equipment finance, project-related corporate loans and project advisory services. We have restated our 2014 figures to reflect the new requirements and guidance.

TD did not have any qualifying Equator Projects in 2015 and did not have any qualifying equipment finance, project-related corporate loans or project advisory services.



# Responsible Finance and Investing

(continued)

## Headline Performance

**100%**

of non-retail lending transactions screened against TD's E&S Credit Risk Management process.

**198**

transactions subject to enhanced sector-specific due diligence.

**\$1.6 billion**

of non-retail lending in support of the low-carbon economy in 2015.

## Go Deeper

2015 Natural Capital Valuations	[+]
TD Green Bond – Use of Proceeds	[+]
2015 Green Bond Assurance Statement	[+]

## TD Green Bond

In 2014 TD issued a \$500 million green bond, the first commercial bank in Canada to do so. As a signatory to the Green Bond Principles, we are working to standardize definitions, reporting and assurance processes. Proceeds of the TD Green Bond are allocated to the low-carbon economy, supporting:

- Renewable and low-carbon energy and infrastructure
  - Energy efficiency and management with a focus on green buildings
  - Green infrastructure and sustainable land use
- In 2015 we continued to be active in the emerging green bond market space, participating as joint-lead underwriter on two green bonds:
- Joint-lead underwriter of \$500 million five-year Climate Awareness Bond issued by the European Investment Bank
  - Joint-lead underwriter of £500 million five-year Climate Awareness Bond issued by the European Investment Bank



In 2015, the TD Green Bond generated over \$2 million in natural capital value.

## Management Approach – Investing<sup>1</sup>

TD Asset Management (TDAM) manages more than \$300 billion in assets on behalf of retail and institutional investors. TDAM has been a signatory to the UN Principles for Responsible Investing (UN PRI) since 2009. We were the first asset manager of a major Canadian financial institution to make this commitment and are still one of a relatively small number of mainstream asset managers to do so. We believe that proactive management of environmental, social and governance (ESG) risks is a measure of management quality.

TDAM integrates ESG factors into its research and investment decision-making process. We maintain a proprietary ESG matrix that scores every company we invest in and are an active owner, engaging directly with companies through:

- Management meetings with company leaders to understand the potential impacts of ESG risks on company earnings as well as the processes in place to manage those risks
- Formal written communications on specific ESG issues
- Proxy voting on items presented at portfolio meetings

We participate in collaborative engagements with other investors, including the CDP<sup>2</sup> water program, the CDP forests program, Carbon Action, the UN PRI Fracking Engagement Group and the Canadian Coalition for Good Governance.

<sup>1</sup>Excludes Epoch.

<sup>2</sup>Formerly the Carbon Disclosure Project

## 2015 Performance

In 2015, we applied ESG considerations to 100% of TDAM's investment research process and exceeded our commitments as a signatory to the UN Principles for Responsible Investing (PRI). We participated in the 2015 PRI Reporting Framework, which allows signatories to compare themselves against industry peers and identify areas for improvement. TDAM's score was in line with or better than its peers in North America and globally, and we identified areas that could be improved in the future.

## Shareholder proposals

In 2015, we supported 150 shareholder proposals on topics that included:

- Nomination of directors with environmental expertise
- Environmental risk-reduction efforts
- Spill mitigation efforts
- Deforestation
- Hydraulic fracturing
- Greenhouse gas emissions and effects of climate change
- Energy efficiency
- Recycling
- Overall sustainability reporting



# Responsible Finance and Investing

(continued)

## Company engagement

In 2015, TDAM engaged with companies across a broad range of industries, including oil and gas exploration and production, oil and gas drilling and fracturing, mining, consumer staples, consumer discretionary, railroads, pipelines, utilities and telecommunications. The topics discussed included:

- Railroad fuel efficiency, health and safety
- Water use, disposal and treatment in oil and gas extraction and mining
- GHG emissions in oil and gas extraction and railroads
- Hazardous materials leakage during oil and gas extraction
- Pipeline safety and integrity issues
- Community relations, health & safety issues
- Encouraging companies to participate in the Carbon Disclosure Project (CDP) survey

## Sustainable investing

While ESG considerations are an important part of our investment philosophy and factor into all investing decisions, we also manage a North American socially responsible investing (SRI) portfolio for our wealth management business (TD Private Investment Counsel). The portfolio consists of best-in-class sustainability leaders (80-100% of the portfolio) and emerging environmental specialists (up to 20% of the portfolio).

- The best-in-class segment seeks to invest in companies that are leaders relative to their peers in the areas of environmental impact, corporate governance and social responsibility.
- The environmental specialist segment identifies environmental leaders in water, resource efficiency and alternative energy.
- TDAM published an ESG-related research paper, "[Life Under the Dome](#)," that assessed air pollution in China and the investment implications.

## Go Deeper

<a href="#">Sustainable Investing Approach</a>	+
<a href="#">UN PRI Transparency Report 2014/15 TDAM</a>	+
<a href="#">Disclosure on Proxy Practices</a>	+



Among 100 SRI investors, TD remained the top holding out of Canada's banks.

## GREEN PRODUCT CHOICES – FOR RETAIL AND SMALL BUSINESS CUSTOMERS

Green products are a small but growing segment of our retail and small business offerings. Recent national and regional carbon policy developments in our North American footprint are likely to provide stimulus to this market segment – and TD is well positioned to benefit.

In 2015, we augmented our assessment and development of green products by:

- Enhancing our insurance-related risk-management, underwriting practices and advice offerings, including piloting a water-incident prevention service and introducing a claims advice line and two mobile response units.
- Supporting research aimed at better understanding how energy efficiency may have an impact on building standards and contribute to the value of residential and commercial real estate:
  - + ["The Path to Net-Zero Energy Buildings in B.C.: The case for action and the role of public policy"](#) (Pembina Institute)
  - + ["Evolution of Energy Efficiency Requirements in the B.C. Building Code"](#) (Pembina Institute)
  - + ["The Market Benefits of 'Green' Condos in Toronto"](#) (TD Economics special report)

Green vehicle insurance (for hybrids and EVs)	Support to government-initiated renewables and energy efficiency*	Online/mobile banking
16,605 vehicles covered at end of 2015	\$174 million in loans	7.4 million accounts
9.6% YOY growth	\$530 million since 2010	23% YOY growth

\*Largely in support of the Ontario Feed-in Tariff Program and energy-efficient affordable housing through the U.S. Community Reinvestment Act.



# Eco-Efficiency

## WHY IT'S MATERIAL TO TD

Eco-efficiency means doing more with less. It's about finding ways to grow our business while reducing our environmental impact. Our long-term commitment to eco-efficiency is also providing insights into the emerging "circular economy," which is focused on producing zero waste through increased materials and resource efficiency and recycling.

## Management Approach

We focus on those aspects of our business operations where we have the biggest opportunity to reduce our environmental footprint:

- Maintaining our carbon neutrality by reducing our energy use, greening our energy supply and offsetting the remaining carbon that we emit
- Ensuring that we manage and use our resources in a sustainable manner
- Reducing our operational footprint by building green

TD has developed [multi-year metrics and targets](#) to track and help us improve on our performance. Eco-efficiency programs and reporting are managed through a collaborative approach with key internal business partners: Enterprise Real Estate, Strategic Sourcing and Enterprise Technology Solutions. We collect and review data at least annually within our Environmental Management System.

## Go Deeper

<a href="#">2015 Carbon Neutral Schedule</a>	+
<a href="#">2015 Appendix: ESG Data</a>	+
<a href="#">RECs and Offset Map</a>	+
<a href="#">2015 GHG Reduction Initiatives</a>	+
<a href="#">2015 Paper Reduction Schedule</a>	+
<a href="#">2015 GHG Emissions and Paper Assurance Statement</a>	+

TD sponsored the [Climate Summit of the Americas](#), held in Toronto in July 2015. Leading up to COP21, the event brought together government leaders and more than 350 people from over 300 jurisdictions in support of the first-ever Pan-American action statement on climate change.

## 2015 Performance

### Decoupling our business growth from our GHG emissions

We have decoupled our business growth from our direct greenhouse gas emissions by increasing our energy efficiency and greening our energy supply. Here are highlights from 2015:

#### Remain carbon neutral

- **Energy reduction:** Once fully implemented our 2015 energy reduction initiatives will be saving over 10 million kWh of energy and 14,000 tonnes of CO<sub>2</sub>e.
- **Greening our energy supply:** We achieved a significant milestone – we use 100% green power by purchasing renewable energy credits. Our RECs are certified to EcoLogo™ or Green-e® energy standards and represent additions of new green energy projects to the North American electricity grid.
- **Innovative carbon offset projects:** We spent over \$700,000 on projects located in North America to offset over 87,000 tonnes of CO<sub>2</sub>e. Our total direct investment in carbon offsets is \$7.4 million representing a reduction of 813,855 tonnes of CO<sub>2</sub>e.

In 2015, TD's purchases of RECs and offsets generated a natural capital value of over \$34 million.

#### Increased resource efficiency

- **Energy reduction:** We decreased energy use by 3% from 2014 and have improved energy intensity on a square-foot basis by 19% since 2008. Despite 26% growth in our occupied space, TD's total GHG emissions from energy have decreased by 20% since 2008.
- **Water reduction:** We have decreased water use by 11% from 2011.
- **Waste reduction:** In 2015, we diverted 100% of e-waste from landfills; 46% was refurbished and 54% recycled.
- **Paper management:** We reduced our total paper usage by 16.4% against a 2010 baseline, falling short of our 20% reduction target. Missing our target was a result of increased commercial print usage in the U.S., as part of our effort to raise our brand profile there since we have grown significantly in the U.S. over the past five years. Roughly 85% of the paper we used was certified as coming from sustainably managed forests. We also increased the portion of post-consumer content over the previous year and supported the Forest Stewardship Council in developing a new standard to address free, prior and informed consent of Aboriginal Peoples. For more information, see the TD Forests Map and our Paper Schedule.



# Eco-Efficiency (continued)

## Continued to green our facilities

- Green buildings:** We continued to improve the environmental performance of our building portfolio, which consists of more than 2,600 facilities, including retail and corporate space and data centres. For example, we added 33 LEED certifications, bringing our total to 173; conducted a pilot project to incorporate [WELL building standards](#) into our facilities (the pilot included adaptable furniture and practices that support well-being); and began installing smart irrigation systems at TD locations, starting with our Florida operation.
- Electric vehicle (EV) charging stations:** We installed courtesy EV charging stations at seven locations in British Columbia, bringing our North American total to 18.

"TD has not just painted its corporate DNA green, but has successfully managed to modify its genetic makeup to embrace the full array of sustainability principles."

Capital Finance International

## Go Deeper

Making an Impact Through Green Buildings



## Clean transportation is key to reducing carbon emissions

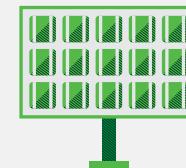
TD is supporting innovation in clean fuels. In 2015, we provided \$250,000 to help launch Bullfrog Power's "green fuel," sourced from re-purposed waste streams such as cooking oils. Since 2012 TD has been a lead sponsor of Plug'n Drive, a not-for-profit organization dedicated to making the switch to electric vehicles (EVs) easier by accelerating the EV industry, offering charging stations, and providing education, research and outreach.



## Energy Star®

After adopting this standard in 2014 and setting energy performance baselines for our buildings, we have learned more about their energy use and made improvements. In 2015, 128 facilities attained an Energy Star® score of 75 or higher.

## Headline Performance



122

sites with solar panels, avoiding emissions equivalent to those produced by 146 homes for a year

100%

green power used through purchase of renewable energy credits (RECs)

61%

reduction in GHG intensity per \$millions revenue since 2008



# Employee Engagement

## WHY IT'S MATERIAL TO TD

Building relationships by engaging our employees and being active participants in the communities in which we operate are a cornerstone of our business success. Our environmental engagement programs help us to recruit and retain talented employees and strengthen our corporate culture. Independent surveys identify TD employees as among the most environmentally engaged among large companies.

## Management Approach

Through our employee engagement strategy we create environment-focused programs for our employees comprised of individual, Green Team and group activities that run throughout the year. Environmental leadership is recognized within our leadership development programs.

Our community-based environmental initiatives support small and large organizations across North America and in Europe. Aligned with our environmental strategy, our community programming focuses on:

- Environmental education and awareness
- Enhancing urban green spaces and biodiversity
- Protecting natural areas and restoring habitat

## 2015 Performance

This past year saw growth in all areas of our employee and community engagement program. Of special note was the major gain in U.S. employee engagement through the creation of “always-on” programming. In 2015, we introduced quarterly environment Customer Connections Days in Canada and green “retailtainment” initiatives in the U.S. to bring customers and employees together around a specific environmental theme.

## Community Highlights

### • TD Friends of the Environment

**Foundation (TD FEF):** In 2015, TD FEF turned 25 years old. One of the biggest community environmental foundations in Canada, TD FEF provides support to local environment organizations in communities across Canada. Since 1990, TD FEF has provided over \$76 million in funding to support more than 24,000 projects.

**• TD Forests:** Launched in 2012, TD Forests is focused on protecting critical forest habitat and enhancing urban green space. Through a major conservation initiative with the Nature Conservancy of Canada (NCC) and The Nature Conservancy (TNC) in the U.S., TD Forests helped protect seven areas in 2015 – and 28 since inception. In 2015 we produced a leading conservation report, with NCC: [“The Natural Capital Value of Forest Habitat Conservation.”](#)



## Headline Performance



87%

of TD employees agree that TD is a leader on the environment

64%

of U.S. employees took the Green Pledge in 2015, a 10% year-over-year increase

90,612 tonnes

of CO<sub>2</sub>e saved by TD employee acts of green

## TD WOW! Awards

an annual employee award in the U.S. which officially recognizes environmental leadership



# Employee Engagement (continued)

## Greening Our Communities

58,000+

acres - amount of critical forest habitat that **TD Forests** has helped protect since 2012

1 million

trees planted in New York City through the MillionTreesNYC TD-sponsored program

1,002

community projects and over \$4.6 million in funding provided by **TD FEF** in 2015

53,000

urban trees planted through **TD Tree Days** in 160 communities by over 10,500 volunteers

Thank you!

to our 150,000 **TD FEF** donors!

### Thought leadership

TD supports these initiatives aimed at developing practical approaches to natural capital valuation:

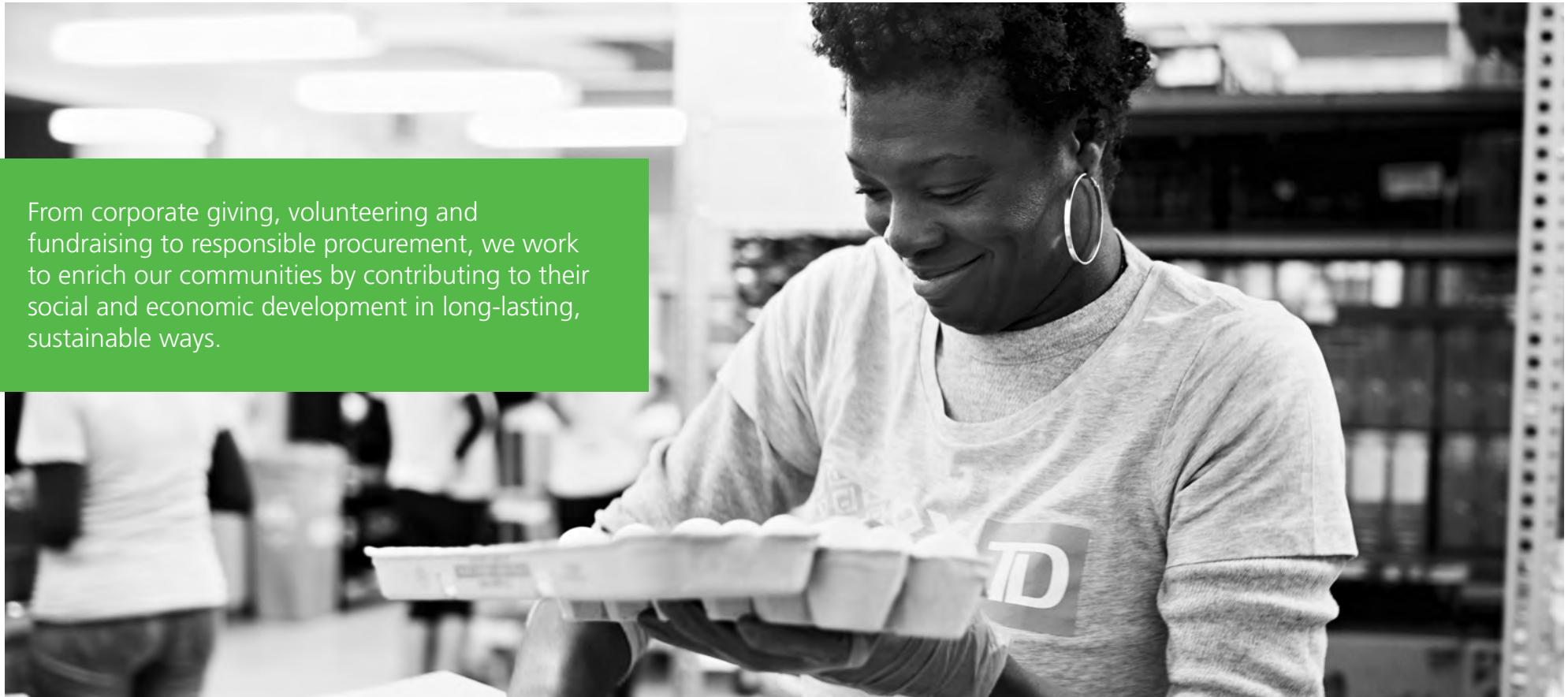
- **The Natural Step Natural Capital Lab:** developing a Canadian approach to natural capital valuation
- **Business for Social Responsibility (BSR) Natural Capital Working Group:** developing international approaches to apply natural capital in business management
- **Natural Capital Protocol:** TD is a member of the protocol testing team, the only Canadian-based participant

TD Economist Brian DePratto was named a Clean50 Emerging Leader for his work on Natural Capital.



# Community

From corporate giving, volunteering and fundraising to responsible procurement, we work to enrich our communities by contributing to their social and economic development in long-lasting, sustainable ways.



## Material aspects in this chapter

Community Investment	44
Financial Education in the Community	47
Affordable Housing	48
Sourcing	49
Tax Policy	52

**\$92.5 million**

donated to strengthen  
communities across  
North America and  
the U.K.



**26,833 volunteers**

registered in the TD  
Volunteer Network,  
with 6,030 new  
users last year.



**211 suppliers**

assessed against TD  
responsible procurement  
requirements – almost  
twice the number in 2014.



## Ensuring we maximize our impact



### A message from Scott Mullin

**Vice-President, Community Relations,  
TD Bank Group**

Our goal is to make not just a donation but also a real difference. That's why we've been working closely with our partners to *measure* the impact our community investments are having, to ensure they are translating into value for both our business and society.

This isn't about counting the dollars donated but, rather, drilling down to assess broader outcomes and impacts. What are the social benefits being achieved? Are our community investments contributing to economic well-being?

Measuring return on community investment is a challenge – for both businesses and non-profits alike – because data collection is complex and there are so many factors that can affect community development outcomes. However, we are addressing this challenge in part by setting objectives and targets over which we have some control, such as the number of people we reach through TD-sponsored programs. You'll see examples of this in the following pages.



Through our work with One Laptop Per Child, TD has helped donate learning tablets to Aboriginal literacy summer camps throughout Canada.



# Community Investment

## WHY IT'S MATERIAL TO TD

We want to see communities thrive. Our reputation and success depend on the well-being of communities that support our business, as well as the relationships we have in those communities. Employees, customers and other stakeholders also look to TD to play an active role in helping address important community issues.

## Management Approach

We target our contributions in four areas: financial literacy and education, affordable housing in the U.S., environmental stewardship and creating opportunities for young people. These priorities were chosen based on customer and employee feedback, as well as insight into where we can make the most difference. In each area, we also look for opportunities to support diversity and inclusion.

Driven by the findings of our materiality assessment, this report updates our progress in the two areas of financial education and affordable housing. For details on our overall community investment program, please refer to our [2015 Canadian Community Investment Snapshot](#) or our [2015 U.S. Community Investment Snapshot](#).

## 2015 Performance

### Supporting communities

- TD donated \$92.5 million to support more than 4,300 community organizations throughout North America and the U.K.
- In the U.S., the TD Charitable Foundation donated over US\$16.6 million throughout its footprint from Maine to Florida. Established in 2002, the foundation has given US\$148.1 million to nonprofits.

## Go Deeper

[London Benchmarking Group Report](#) +

[2015 Appendix: ESG Data](#) +

- In Canada, the TD Friends of the Environment Foundation (TD FEF) – a national charity that supports grassroots environmental initiatives – distributed \$4.68 million to 1,002 projects. Besides funding through TD FEF, we also made corporate donations of \$9.2 million to community environmental projects. For more information, see the [Environment](#) section.
- TD employees volunteered 118,971 hours in their communities, as logged on the TD Volunteer Network website, up from 96,000 hours in 2014.
- We made 965 volunteer grants worth \$538,270 to charities in which TD employees volunteered 40 or more hours of their time.
- Employees also organized fundraising campaigns, the largest of which was TD's annual employee-giving campaign administered by the United Way, raising over \$17.3 million for registered charities in North America. In addition, corporate United Way donations were more than \$6.1 million.

### Challenge:

**How do you engage a large, distributed workforce in regular volunteering?**

TD has a very active volunteer network, but driving awareness of new and ongoing volunteer opportunities is a struggle with 84,000 employees spread out over 2,400 locations. Adding to this challenge, employees already have a heavy workload.

### Response:

In response, we are finding creative ways to keep up the volunteering momentum. For example, we are embedding community engagement into existing employee events, such as team-building activities to include a volunteering component. In 2016, we will survey a sample of our employees in Canada and the U.S. to determine how we can evolve our TD volunteer programs to better suit employee needs, enabling them to give back to the community while balancing their work.



# Community Investment (continued)

2015 Targets	Rating	2015 Results	2016 Targets
Maintain our charitable giving at or above the 1% target set by Imagine Canada and the Giving USA Foundation	Met	Canada: 1.3% U.S.: 1.0%	Same as 2015
55% of giving is applied to TD's giving priorities	Met	Canada: 60.0% U.S.: 61.2%	Same as 2015
15% of giving is applied to diversity and inclusion (Canada only)	Met	23%	15%
20,000 employees across North America registered in the TD Volunteer Network by end of calendar year	Met	26,833 (Canada: 14,635, U.S.: 12,198)	Increase year over year

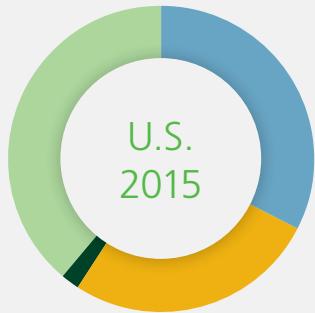
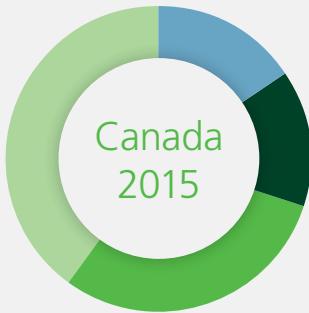
## Social finance and community development

Our community investments go beyond philanthropy. From the TD Green Bond for investors and green product options for customers to financing social ventures, TD is involved in a range of initiatives that have the dual goal of providing a financial return to the bank while creating positive social, economic and environmental impacts in communities where we operate. Here are just a few examples:

- **Centre for Social Innovation**

TD is playing a pivotal role in catalyzing the Canadian social finance marketplace as a partner in the Ontario Catapult Microloan Fund for Social Ventures. Administered by the Centre for Social Innovation in collaboration with TD, the Province of Ontario, Alterna Savings, Microsoft Canada, KPMG and Social Capital Partners, the fund provides low-interest loans up to \$25,000 – along with training and mentorship – to help social entrepreneurs and innovators succeed. Fund partners also offer one-on-one meetings with unsuccessful applicants on how to improve their submissions. Since the inception of the Catapult fund in 2013, 11 social ventures have received loans totalling \$225,000.

## Breakdown of Our Giving by Focus Area



## 2015 Corporate Giving<sup>1</sup>

Canada	\$62.9 million
U.S. <sup>2</sup>	\$29.6 million
U.K.	\$64,777
Asia Pacific	\$10,124
<b>TOTAL</b>	<b>\$92.5 million</b>

<sup>1</sup> All amounts converted into Canadian dollars using Bank of Canada exchange rates. Beyond the countries listed in the table, TD does not make donations in other countries where we operate due to TD having a very small market presence in those regions. The total giving amounts reported do not include in-kind donations, program management costs (i.e., salaries of the community relations team), marketing sponsorships, employee donations or the value of hours volunteered by employees. For the total value of our contributions, please refer to the summary provided by London Benchmarking Group Canada, which performs an annual independent audit of our community investment – [download here](#).

<sup>2</sup> Includes \$22 million (US\$16.6 million) from the TD Charitable Foundation.



# Community Investment (continued)

## • Youth Social Innovation (YSI)

YSI is an impact investing fund that provides young entrepreneurs with financing and technical assistance, which includes support involving governance, business development and fundraising. A key focus is young women entrepreneurs, who face significant obstacles to fair access to capital (less than 10% of venture capital funding goes to women). With TD's help, YSI is investing in women-led ventures and championing their successes with investor communities.

## • Supporting underserved communities in the U.S.

As one of the largest banks in North America, we have a particular responsibility to demonstrate leadership and commitment to serving the needs of low- and moderate-income individuals, families and businesses, in areas such as credit, lending, financial outreach and real- estate development. In 2015, TD Bank in the U.S. provided more than US\$1.07 billion – up from US\$1 billion in 2014 – for community development loans and investments in underserved locations. Examples include:

- Tax credit programs and other investments supporting local initiatives for low- to moderate-income individuals and families exceeded US\$441.2 million, including \$700,000 in state tax credits.
- TD originated 248 community development loans for low- to moderate-income groups, totalling more than US\$631.3 million, in the following categories:
  - Affordable housing (48%)
  - Community services (40%)
  - Revitalization (7%)
  - Economic development of small businesses (4%)

For more examples, please see the [Affordable Housing](#) section of this report.

## SPOTLIGHT

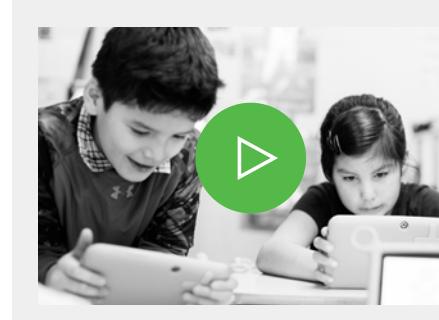
### Together, We Bring Change

We know that small change can have a big impact. That's the philosophy behind one of TD Bank's most ambitious charitable initiatives: the Bring Change campaign.

Launched in May 2015, Bring Change spotlights small local organizations and individuals in need as the recipients of one-day fundraising events. On each "Green Friday" we invite people to a participating store where they can donate their loose change. Along with their contributions, TD Bank makes a \$2,000 donation to each recipient, collectively making a big impact in the communities we care about. By the end of October 2015, we had held 250+ events from Maine to Florida and raised \$700,000 for the benefit of local recipients.



+ [Check out \[tdbringchange.com\]\(#\) for some of our favourite moments so far](#)



Learn more about an incredible summer camp run by **Frontier College** that promotes a love of reading to Aboriginal kids and positions them for success.



# Financial Education in the Community

## WHY IT'S MATERIAL TO TD

As discussed in the [Responsible Banking](#) section of this report, financial literacy is a critical skill for navigating today's financial world and is therefore a priority for TD. The issue is directly related to our business as a financial institution, and therefore we have both an opportunity and a responsibility to support financial education in our communities.

## Management Approach

We support financial education programs, events, services and research, and focus our investments on underserved or disadvantaged communities – including low-income, youth, Aboriginal Peoples and newcomers to Canada. An important way we do that is through community outreach and our approach in both Canada and the U.S. is to collaborate with non-profits that work in the field. TD's Financial Education Council helps to coordinate the bank's overall approach.

## 2015 Performance

2015 Target	Rating	2015 Results	2016 Targets
<b>Help 200,000 participants improve financial literacy through a TD-sponsored program.</b>	Met	Over 247,900 people reached across North America and U.K.	250,000 participants

## Go Deeper

[TD's Financial Education Website](#) +

[TD WOW!Zone](#) +

In 2015, TD invested \$3.86 million to support community financial literacy programs across North America and the U.K., up from \$3.1 million the previous year, which benefited more than 247,900 people. In addition, thousands of TD volunteers across our footprint in North America and the U.K. taught money skills in classrooms and community centres. Here are a few highlights from the past year:

- TD increased its participation in Financial Literacy Month in Canada by launching a suite of educational tools and resources for parents, teachers and youth.
- TD employees volunteered over 3,400 hours teaching money management skills to more than 4,800 adult learners through Money Matters, a free financial literacy program for adult learners developed by ABC Life Literacy Canada and TD. During the past year, we began expanding this successful program to pilot specific lessons for newcomers, Aboriginals and post-secondary students.
- Female employees from TD delivered financial lessons to more than 2,800 young women through the Girls Count program run by Girl Guides of Canada.
- Through our own free TD Bank WOW!Zone, now in its 25th year, 2,000 trained TD Bank instructor volunteers work with local schools and youth organizations to teach students in Grades K-12 about budgeting, saving and building good financial habits. In 2015, our employees delivered 3,200 classes to over 50,000 students. Over the last 25 years, we have reached more than 1.1 million students through the program, which meets the U.S. National Content Standards in Personal Finance and Economics.
- Through our relationship with the National Foundation for Credit Counseling (NFCC), we sponsored 110 adult financial education seminars for 2,700 people in low- to moderate-income urban locations in Boston, New York City, Philadelphia, Metro Washington, D.C., North Carolina, South Carolina and Florida. NFCC member agencies, with assistant instructors from TD Bank, taught the free seminars, which focused on budgeting, understanding credit reports and scores, and preparing for home ownership.
- In the U.K., TD participated in its second World of Work visit program, welcoming students from several local schools to learn about real-life business and working in the financial sector. A key goal is increasing aspirations in poorer schools where some children come from five generations of non-working families.



# Affordable Housing

## WHY IT'S MATERIAL TO TD

Housing is a necessity of life. Yet the lack of affordable shelter is a persistent and growing problem in cities across America. Given TD's role in local economies, particularly in mortgage and development financing, we can make a powerful difference by mobilizing investment and collaboration to tackle affordable housing issues.

## Management Approach

Our goal in this area is to improve the quality and availability of affordable housing units across our footprint in an effort to create positive outcomes for people and neighbourhoods on which our business depends. To achieve this, we take a multi-faceted approach by:

- Providing community development loans and services to companies developing or preserving affordable housing in low- and moderate-income areas
- Making investments through low-income-housing tax credits that benefit underserved communities
- Providing significant support from the TD Charitable Foundation, including our signature Housing for Everyone grant competition – a yearly initiative that gives money directly to non-profits leading the way in building new affordable housing and enhancing the existing supply

## Go Deeper

[TD Bank Community](#)



[List of 2015 Housing for Everyone Recipients](#)



## 2015 Performance

### Community Development Activities

**Lending:** TD Bank originated 106 loans to developers and organizations, totaling over US\$305 million. These funds supported over 5,700 units of affordable housing.

**Investments:** TD Bank also funded US\$392 million last year in Low-Income Housing Tax Credits (LIHTC) to support new construction and rehabilitation of affordable housing for families, individuals and elderly residents. Here is one example:

- A US\$8.2 million investment in a 48-unit affordable housing project located in the **City of Brewer, Maine** for homeless families and families living with HIV/AIDS. In addition, the TD Bank Charitable Foundation also awarded a \$100,000 grant to install solar panels which will provide 12% of the building's energy needs, thereby reducing operating costs.



Watch the story of one incredible women's shelter in Miami and how it is changing lives daily.

## Headline Performance



**\$697 million**

provided through community development investments and loans to support Affordable Housing projects



**\$4.45 million**

donated to organizations dedicated to improving and expanding housing from the TD Charitable Foundation<sup>1</sup>



**962 families**

assisted through TD Bank's Right Step Mortgage® program in the U.S.

<sup>1</sup> Total charitable funding, including US\$2.5 million provided through the annual Housing for Everyone competition.



# Affordable Housing (continued)

## TD Charitable Foundation Activities

To celebrate our 10th annual "Housing for Everyone" grant competition in 2015, the TD Charitable Foundation distributed 25 grants of US\$100,000 each to non-profits focused on affordable housing for low-income senior citizens.

Here is one example of an award-winning project:

- **Homes of Hope** (Greenville, South Carolina) was awarded a grant to provide affordable and energy-efficient housing for low-income seniors in West Greenville, especially those in danger of being displaced from the neighborhood due to gentrification and other market forces.

Including these contributions, the Housing for Everyone competition has awarded nearly US\$20 million since the program's inception in 2006 to provide or improve access to safe, affordable housing to low- to moderate-income individuals.

## TD's Right Step Mortgage®

In addition to community and foundation investments, TD also works to provide access to housing through our product offering.

We provided affordable financing to low- to moderate- income buyers through TD Bank's Right Step Mortgage® program.

In 2015, TD originated 962 Right Step Mortgages, up from 749 in 2014, totaling \$197.5 million.

The program features a low 3% down payment option and the potential for significant savings on a borrower's monthly payment, with no private mortgage insurance requirement.

2015 Target	Rating	2015 Results	2016 Targets
<b>Provide 25 grants totalling US\$2.5 million to organizations working to develop or rehabilitate affordable housing units</b>	Met	Achieved	Same as 2015

## SPOTLIGHT

### Women veterans and their families find a home in Philadelphia

Homelessness among U.S. veterans is a well-documented problem. It is particularly acute for returning servicewomen, who represent the fastest-rising percentage of homeless veterans.<sup>1</sup>



In response to this crisis, TD Bank is supporting the development of affordable rental housing for veterans and their families. Since 2012, TD Bank has partnered closely with Impact Services Corporation in Philadelphia to create a model veterans housing centre, which will open in 2016. Impact has transformed a former factory building, originally built in 1854 and located in the Kensington neighborhood of the city, into 26 units of affordable, supportive housing.

What's unique is that the facility will focus on a specifically defined population group: low-income women veterans and their children. As a leading provider of services for veterans, Impact Services is on the front lines when it comes to identifying the needs of returning servicemen and women. Women veterans are up to four times more likely to be homeless than non-veterans. In Philadelphia, an estimated 200 women veterans with children face homelessness every year.

Impact forecasts that the new facility will serve approximately 400 veterans and their family members over a 15-year period. In addition to the supportive housing, residents will have access to employment counselling, training and other support. The project is a 2015 Blue Ribbon Award Winner for Excellence in Community Development, an honour granted by the Philadelphia Association of Community Development Corporations.

In backing the project, TD Bank has provided US\$12.7 million in equity and construction financing, and helped Impact Services apply for and win a US\$250,000 grant from the Federal Home Loan Bank of Pittsburgh's Affordable Housing Program. The project was also the recipient of a US\$100,000 Housing For Everyone award from the TD Charitable Foundation.

<sup>1</sup> Various sources used for this story: U.S. Department of Veterans Affairs; Impact Services Corporation; Easter Seals Call to Action White Paper; The Independent Budget "Veterans Agenda for the 114th Congress"



# Sourcing

## WHY IT'S MATERIAL TO TD

TD's suppliers are an integral part of our efforts to run a responsible and efficient business as we strive to deliver legendary experiences to our customers. TD works with thousands of suppliers each year, and we can be a truly sustainable company only if those in our supply chain are too.

## Management Approach

With a mandate to grow our business and an external landscape of constant rapid change, supply chain management is increasingly complex. Amid this environment, TD has placed a heightened focus on managing the geopolitical, reputational, and data security risks that result from our procurement activities.

As a major purchaser, we are 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.

Our Responsible Procurement Policy embeds a wide range of sustainability criteria into TD's sourcing practices and decisions. Prospective suppliers must complete a questionnaire covering:

- Corporate responsibility performance
- Health and safety record
- Human rights and labour practices, including child or forced labour
- Diversity and inclusion efforts

## Go Deeper

- [Responsible Procurement Policy Summary](#) +
- [Supplier Code of Conduct](#) +
- [Prospective Supplier Website](#) +

- Code of conduct, ethics and anti-bribery/anti-corruption practices
- Environmental sustainability efforts

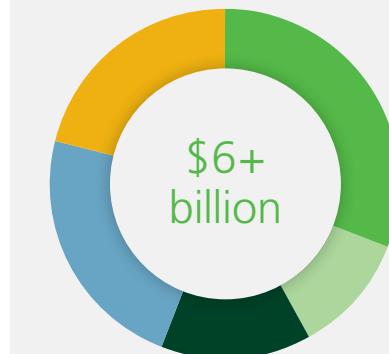
The questionnaire and risk assessment process help ensure that TD extends its responsible procurement agenda into the supply market. We apply enhanced due diligence to sourcing products and services when social, ethical, environmental and geographical elements are deemed higher risk.

TD's Supplier Code of Conduct provides further transparency concerning TD's expectations. The code reflects and frames the principles set out in TD's Responsible Procurement Policy, as well as the minimum performance standards and obligations that suppliers and their subcontractors must meet when doing business with TD.

## 2015 Performance

We assessed 211 suppliers according to our Responsible Procurement Policy, up from 108 in 2014. We expanded the scope of our responsible procurement assessment by sending questionnaires to suppliers with significant annual spend who had existing contracts before the policy was introduced.

## 2015 Spend on TD's Sourcing



Tax Type	%
Business Operations	31%
Real Estate	11%
HR Services, Travel and Marketing	14%
Professional Services	21%
IT and Communications	23%



# Sourcing (continued)

Results from our Responsible Procurement Program in 2015 demonstrate that suppliers continue to improve their practices:

## 2015 Responsible Procurement Results

Percentage of invited suppliers who agreed to participate in our Responsible Procurement survey	100
---	-----

## Suppliers who improved their own policies and procedures in response to our review:

health and safety	7
ethical	15
environmental	28
human rights and labour code	48
Number of contracts withdrawn as a result of non-compliance to the Responsible Procurement Policy	1

## Screening for conflict minerals

U.S. Dodd-Frank Act came into effect in May 2014 obligating companies that manufacture products to report whether any of their raw materials have been extracted from the Democratic Republic of the Congo (DRC) or other regions where there is armed conflict or instances of human rights abuses. While TD is not required to monitor for conflict minerals, we proactively ask relevant suppliers to report to TD on their compliance. No exceptions were identified, and we will continue to monitor this issue.

## Headline Performance



\$6+ billion

spent in the procurement of goods and services was with suppliers headquartered in North America.



TD's Supplier Diversity program received several awards in both Canada and the U.S.<sup>1</sup>

<sup>1</sup>Refer to list of 2015 Awards for more details.

## Emerging issue: Modern slavery

The Modern Slavery Act 2015 became law in the United Kingdom on March 26, 2015. The Act requires firms who provide goods or services in the U.K. (and meet the prescribed revenue threshold) to disclose the steps they have taken to ensure that slavery, servitude and forced or compulsory labour and human trafficking are not taking place in their business or supply chains. TD's Sourcing Group, along with other departments across the bank, are currently assessing what action is needed to comply with these new requirements.

## Supplier diversity

Designed to create a level playing field, TD's North American Supplier Diversity Program works to include women, visible minorities, Aboriginal Peoples, the LGBT community, people with disabilities, veterans and other minority groups in our procurement selection process.

TD is a member of eight diverse supplier organizations in North America that certify a supplier's diversity credentials. We also educate our own employees to raise awareness of our Supplier Diversity Program.

In 2015:

- TD's group mentorship program continued to help diverse suppliers develop and learn how to do business with large corporations.
- Key primary suppliers reported how much they are spending with their own network of diverse suppliers.
- TD was once again named a top 50 diversity organization by DiversityInc based in part on our supplier diversity practices.



# Tax Policy

## WHY IT'S MATERIAL TO TD

TD is committed to paying all taxes due in the jurisdictions where we operate.

## Management Approach

TD continues to work transparently and co-operatively with tax authorities in all jurisdictions in which we operate. We aim to:

- Establish and manage robust tax governance processes that ensure full compliance with tax disclosure and filing obligations in all jurisdictions
- Consult with leading law and accounting firms to obtain expert, objective advice and opinions on tax matters
- Work in a proactive way with policy-makers and revenue authorities over the long term

## 2015 Performance

### Taxes we pay

TD pays corporate income taxes on the profits we earn, as well as various taxes incurred in our business operations.

### Taxes we collect

TD collects taxes on behalf of governments in the countries and regions where we operate. We assume the administrative costs associated with this activity, understanding and supporting the benefits to the broader economy. The taxes we collect include:

## Go Deeper

Detailed Tax Performance, including  
3-year trend +

Taxes Paid by Province in Canada (page 5  
of Public Accountability Statement) +

## Taxes Borne by TD

(in millions of dollars)	2015
Income taxes	1,523
Payroll taxes for over 84,000 employees across 16 countries	485
Transaction and sales taxes	428
Capital and insurance premium taxes	135
Property and business taxes	181
<b>TOTAL</b>	<b>2,752</b>
Effective income tax rate – reported	16.6%
Effective total tax rate	26.5%

## Types of Taxes Borne by TD



Tax Type	%
Income taxes	55%
Transaction and sales taxes	15%
Capital and insurance premium taxes	5%
Payroll taxes	18%
Property and business taxes	7%

- 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 transactions to which sales taxes apply
- Withholding taxes on behalf of investors

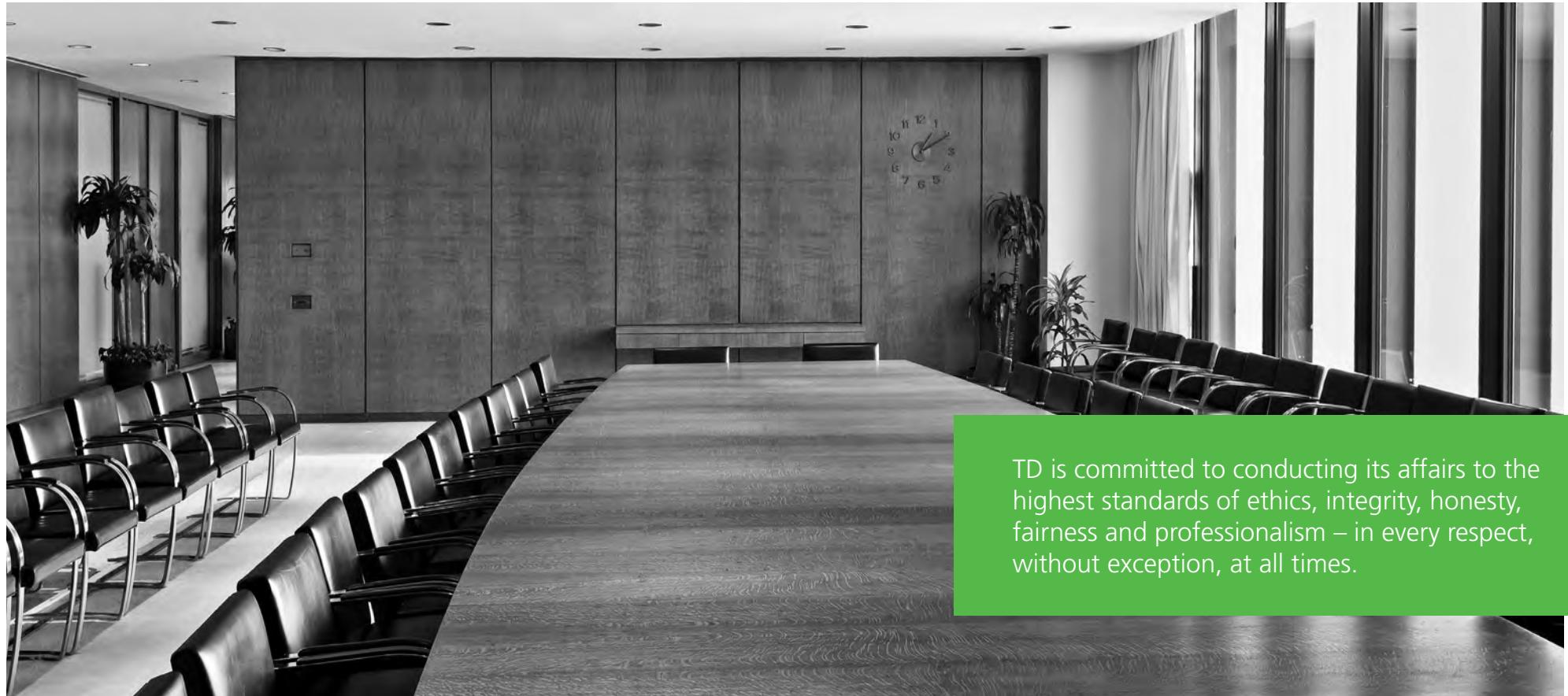
### Tax policy

We believe that when it comes to tax, all companies should compete on a level playing field. The international financial market is highly competitive, and TD will continue to leverage its presence in all jurisdictions in order to compete effectively.

To help tax authorities keep abreast of changes in the banking business, we hold Commercial Awareness Sessions on a wide range of banking issues, as well as the interpretation and application of the legislation.



# Governance



TD is committed to conducting its affairs to the highest standards of ethics, integrity, honesty, fairness and professionalism – in every respect, without exception, at all times.

## Material aspects in this chapter

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TD ranked one of World's 50 Safest Banks for the 5th year in a row, earning a coveted spot on the top-10 list. In addition, TD was ranked as the Safest Bank in Canada and the World's Safest Commercial Bank.



Women on our Board of Directors  
**36%**

TD named best Investor Relations by Sector: Financial Services by IR Magazine Awards. TD also won Best Corporate Governance.



# Corporate Governance and Integrity

## WHY IT'S MATERIAL TO TD

TD's Board of Directors is elected by TD's shareholders to oversee the management of the company and to assure that the long-term interests of shareholders are addressed responsibly, including addressing the concerns of other stakeholders including the bank's employees, customers, regulators, communities and the public.

## 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 be sure we are focused on our responsibilities to our shareholders and other relevant stakeholders and on creating long-term shareholder value. We have an independent Chairman with a clear corporate governance leadership mandate and a Board that is responsible for fulfilling a number of duties, including:

- Setting the tone for risk, integrity and compliance culture throughout TD
- Approving the strategy and business objectives of the bank and overseeing their execution
- Overseeing the identification and monitoring of the principal risks affecting the bank's businesses

TD is committed to diversity and inclusion at all levels of the bank's workforce as a business imperative. The Board's approach to the identification and nomination of candidates for election to the Board is in keeping with that commitment. The Board's diversity policy sets a goal that each gender comprises at least 30% of the Board's independent directors.

Highlights of the Board's and its Committees' initiatives in fiscal 2015 are available in our [2016 Proxy Circular](#). TD also has extensive information about corporate governance practices available on our website.

## Go Deeper

[The Board of Directors and Its Committees](#) +

[Disclosure of Corporate Governance Policies and Practices](#) +

## 2015 Performance

### TD's Board of Directors

(Information as of 2016 Proxy Circular date – January 28, 2016)

Number of independent Board members	13
Chair and CEO are separate	Yes
Board oversight of corporate responsibility	Yes

### Number of meetings

 (for the 12-month period ending October 31, 2015)

Full Board	10
Corporate Governance Committee	6
Risk Committee	9
Audit Committee	8
Human Resources Committee	6

### Board diversity

% of female directors	36%
% of visible minority directors	14%
% of independent directors	93%

### Promoting responsible conduct

While reaching our business goals is critical to TD's success, equally important is the way we achieve them. That's why the actions of our employees are subject to a number of internal policies, standards and guidelines. Anyone working on behalf of TD is required to complete compliance training related to customer protection and responsible business conduct to mitigate the risk of employee misconduct that could lead to customer harm, reputational damage or legal liability. To ensure our employees understand current and evolving risks, we also continue to enhance the bank's awareness and training programs on anti-money laundering (AML), anti-terrorist financing (ATF), sanctions and anti-bribery/anti-corruption (ABAC).



# Corporate Governance and Integrity (continued)

Policy / Standard / Guideline	Description
<b>Code of Conduct and Ethics</b>	<ul style="list-style-type: none"><li>• A framework for how we interact</li><li>• Clearly states that irregular business conduct will not be tolerated</li><li>• Applies to employees and Directors</li><li>• A mandatory online training course is included for all new employees during orientation</li><li>• Requires annual attestation</li><li>• The Audit Committee of the Board receives a report to confirm 100% of eligible employees have completed attestation</li><li>• A version of the code applies to contract workers in North America</li></ul>
<b>Whistleblower Hotline</b>	<ul style="list-style-type: none"><li>• An independent, confidential and anonymous channel for reporting concerns</li><li>• Includes the ability to participate in an online anonymous chat</li></ul>
<b>Anti-Money Laundering and Anti-Terrorist Financing Sanctions (AML/ATF)</b> <b>Anti-Bribery and Anti-Corruption (ABAC)</b>	A framework of policies designed to: <ul style="list-style-type: none"><li>• Detect and deter the use of TD products and services for money-laundering and terrorist-financing activities and comply with AML/ATF laws and regulations</li><li>• Comply with economic and trade sanctions laws and regulations</li><li>• Provide principles of conduct to deter and detect bribery and corruption activities</li><li>• All newly hired employees are required to complete mandatory AML/ATF and Sanctions training. All existing employees 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.</li></ul>

## Go Deeper

<b>Code of Conduct and Ethics for Employees and Directors</b>	[+]
<b>Whistleblower Hotline</b>	[+]
<b>AML/ATF/Sanctions Policy Summary</b>	[+]
<b>Anti-Bribery, Anti-Corruption Policy Summary</b>	[+]



# Executive Compensation

## WHY IT'S MATERIAL TO TD

Executive compensation is designed to reward results that are aligned with the long-term strategy of the bank. Doing so provides an important incentive for executives to act in the best interests of the organization, its employees and its shareholders.

## Management Approach

TD has a balanced approach to executive compensation that is intended to attract, retain and motivate high-performing executives. Our compensation principles and approach are described in TD's Proxy Circular. A key element of TD's approach is that a significant portion of the compensation awarded to executives vests at the end of a minimum of three years. As this portion is tied to the bank's share price, there is added incentive for executives to make decisions that are in the long-term interests of TD and its stakeholders.

## 2015 Performance

### Say-on-pay

In 2010, TD voluntarily adopted "say-on-pay", an annual process that provides shareholders a means to express concerns about executive compensation. If significant concerns are raised, the Board of Directors will engage with shareholders to understand the specific issues and recommend changes, as appropriate. In 2015, 95% of TD shareholders voted in favour of the bank's approach to compensation, and there has been significant support from shareholders every year since say-on-pay was introduced.

### Linking environmental, social and governance factors in executive compensation

Incentive compensation is based on a combination of financial and non-financial measures. One of the key performance measures used to determine incentive pools for executives is an evaluation of the customer experience, which is assessed using feedback directly from customers following an interaction with TD.

We typically structure performance objectives in terms of five categories: customer, business operations, financial, employee and community. These objectives are used to evaluate performance, which has a direct impact on compensation, in alignment with the bank's pay-for-performance philosophy.

## Go Deeper

[2016 Management Proxy Circular](#) 

[TD's Approach to Compensation](#) 



# Data Security and Privacy

## WHY IT'S MATERIAL TO TD

Technology and information-security risks have increased in recent years, due in part to the proliferation, sophistication and constant evolution of new technologies and methods used by those who wish to cause disruption or criminal damage.

As a financial institution that relies extensively on technology, the consequences of a breach in data security and privacy are significant.

## Management Approach

As a financial institution, we approach the protection of our information assets, personal data and customer information as fundamental components of our business. While we continue to evolve the bank's digital transformation in response to changing customer preferences, at the same time we are making significant investments to ensure the security and privacy of our data, technology and systems.

The bank actively monitors, manages and continues to enhance its ability to mitigate security and privacy risks through enterprise-wide programs, industry best practices and robust threat and vulnerability assessments and responses. Our security safeguards include secure firewalls to help prevent unauthorized external access to TD internal systems; data encryption to help ensure that customer information can be decoded and read only by TD's online and mobile environment, and around-the-clock monitoring to maintain the quality of TD's systems and proactively help identify unusual customer account activity.

Our strong commitment to data security and privacy is demonstrated in the bank's overall governance and accountability:

- Cyber-security issues are managed by the Enterprise Risk Management Committee through the Senior Vice President, Technology Risk Management and Information Security. Our Vice President of Cyber-Security also oversees emerging issues.
- TD's Office of the CDO (Chief Data Officer) is currently strengthening the data governance capabilities throughout the organization. We are continuing to invest in data analysis to allow us to provide a superior end-to-end customer experience and build our leadership position in the digital banking arena.
- A Global Chief Privacy Officer leads TD's Privacy Program and reports to the Global Chief Compliance Officer. Local privacy officers are responsible for the jurisdictions where the bank operates.

## Go Deeper

- How We Protect You (Security Measures) +
- How You Can Protect Yourself +
- TD's Privacy Commitments +



# Data Security and Privacy (continued)

We strive to incorporate the principles of 'Privacy by Design' into our products and services from the beginning. Another important area of focus is training and communication. All employees complete a mandatory privacy and information-security training course, which is refreshed annually. Through continual awareness building, we work to promote a culture that understands the fundamental importance of data security and privacy. TD also complies with many industry-level codes of conduct and public commitments designed to protect consumers.

## 2015 Performance

### Data Security

During the past year, we invested considerable effort and resources to ensure the security and privacy of our data, technology and systems.

On the security front, we continued to anticipate and prevent threats to our cyber-security in a number of ways, including the development of strategies and tools to respond to the most critical risks, monitoring our IT systems around the clock, and actively collaborating with other banks and governments to exchange best practices and share threat-intelligence information, (for example, participating in Public Safety Canada's Canadian Cyber Incident Response Centre).

### Privacy

Our Global Privacy Team remains vigilant in maintaining bank-wide policies, procedures, standards and guidelines to help protect the privacy of our customers' personal information and mitigate privacy risk. TD has implemented new measures to protect customers' privacy based on recommendations from the regulators. In Canada, the Office of the Privacy Commissioner ruled on five complaints from past years and found them to be well-founded and resolved. There were no privacy complaints or investigations in the U.S. found in favour of the customer.

We strive to be clear about our policies and practices and make them easily accessible so customers can find answers about how we manage their information. For example, TD's [Mobile Apps Privacy Code](#) and TD's [Online Privacy Code](#) advise users on how the information collected when using the TD app and TD websites is handled. TD does not collect information about our customers' general browsing activities. We also continue to offer products and services to help customers manage and improve their security and privacy. These include tipsheets for preventing financial fraud and smart online usage, as well as links to anti-virus and anti-malware software.

### SPOTLIGHT

## Cybersecurity: Building protection against advanced threats



**Glenn Foster**

Head of Technology Risk Management and Information Security,  
TD Bank Group

Cyber threats escalated in 2015. With technology innovation growing at an explosive rate and more physical assets being replaced by digital assets throughout society, companies across all industries are trying to defend against a faceless army of digital attackers.

Our ability to identify malware and respond quickly is key to our cyber defense strategy. We have multiple controls in place to protect our customers and employees, including multi-layer authentication, secure firewalls and advanced encryption methods. We continually assess our cyber-security program, conduct real-time testing of our defenses and incorporate feedback from independent oversight organizations with leading-edge practices.

Equally important, we are increasingly focused on building a *security-aware culture* within the organization. We are equipping employees with new tools to protect themselves from potential attacks and we continue to provide education on all the latest threats, making employees accountable for preventing and detecting these types of attacks.

We recently launched an awareness-raising exercise where fake phishing emails invited employees to click on a link. Anyone who clicked on the phony link received a pop-up alerting them to the test and guiding them on how they should have handled the situation. Our employees are our greatest asset in protecting the bank. The intention of the program is not to scare employees but to provide real-time learning opportunities to drive our cyber-security message home and increase our employees' readiness to respond to these serious cyber threats.



# Risk Management

## WHY IT'S MATERIAL TO TD

Everyone at TD has a role to play in risk management. It's essential that we each play our part to protect our business, our customers and our employees from a variety of risks in the financial services sector. These include traditional financial risks inherent to banking, such as credit and interest rate risk, as well as modern-day risks such as climate change and cybersecurity threats.

## Management Approach

One of TD's Guiding Principles is to take only risks that we understand and can manage. TD executives, Directors and employees look to both our Enterprise Risk Framework and our Risk Appetite Statement for a common understanding of how we manage risk.

The Bank also employs a "three lines of defence" model to describe the role of business segments (First Line), governance, risk, and oversight functions, such as Risk Management and Legal and Regulatory Compliance functions (Second Line), and Internal Audit (Third Line) in managing risk across TD. We regularly monitor and report on risk levels and compliance within TD's risk appetite to senior management, the Board and its committees. We also run education sessions, communication programs and internal risk-management conferences to increase awareness across the organization.

## TD's Risk Appetite Statement

We take risks required to build our 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 (we don't "bet the bank" on any single acquisition, business or product)
3. Do not risk harming the TD brand

## Go Deeper

Managing Risk – Annual Report page 66 +

Update from the Risk Committee –  
Proxy Circular page 22 +

## 2015 Performance

- Continued enhancement of the enterprise and business segments' Risk Appetite Statement, associated measures and reporting
- Continued focus on supporting risk culture with participation in a Canadian bank risk culture survey and completion of internal assessments of TD's risk culture
- Presentations and discussions on emerging risks and issues of specific relevance
- Independent third-party assessment conducted as part of the assessment of the effectiveness of the Risk Management function

## Managing Environmental Risk

Environmental risk is the possibility of loss of strategic, financial, operational or reputational value resulting from the impact of environmental issues or concerns and related social risk within the scope of short-term and long-term cycles. Management of environmental risk is an enterprise-wide priority. Key environmental risks include:

- **Direct risks:** Risks associated with the ownership and operation of the Bank's business, which include management and operation of company-owned or managed real estate, fleet, business operations, and associated services
- **Indirect risks:** Risks associated with the environmental performance or environmental events, such as changing climate patterns that may impact the Bank's retail customers and clients to whom TD provides financing or in which TD invests
- **Risk arising from the changing regulatory environment:** Including identification and management of new or emerging environmental regulatory issues
- **Risk of opportunity loss:** Failure to understand and appropriately leverage environment-related trends to meet customer and consumer demands for products and services

During incidents that could disrupt the bank's business and operations, Business Continuity Management supports the ability of senior management to continue to manage and operate their businesses, and provide customers access to products and services. The bank's robust enterprise-wide business continuity management program leverages a multi-tiered, global crisis/incident management governance structure to ensure effective oversight, ownership, and management of crises and incidents affecting the bank. All areas of the bank are required to maintain and regularly test business continuity plans designed to respond to a broad range of potential scenarios.



# Approach to Reporting

## Reporting Scope

The 2015 Corporate Responsibility Report is designed to inform our stakeholders about TD's environmental, social and economic performance.

### Report scope

This report presents the material issues and impacts of our activities during the fiscal year ending October 31, 2015. Reports from previous years are available online: [www.td.com/responsibility](http://www.td.com/responsibility)

The scope of this report encompasses all of TD's wholly-owned operations and activities, which are organized around the following operating business segments: Canadian Retail, U.S. Retail and Wholesale Banking.

### G4

TD has used the Global Reporting Initiative (GRI) framework for corporate responsibility reporting since 2007. TD's 2015 Corporate Responsibility Report is written in accordance with the G4 framework and fulfills the requirements for a Core report.

### + Aspect Boundary Table

#### External assurance reports

Selected performance indicators were independently assured by Ernst & Young LLP. Ernst & Young performed a limited assurance engagement for a selection of TD's social and environmental performance indicators, including TD's greenhouse-gas emissions and Carbon Neutral Schedule and TD's paper-usage figures.

### + Assurance Statement for the 2015 Paper Reduction Schedule, Corporate Responsibility Metrics, Greenhouse Gas Emissions and Carbon Neutral Schedule

### + Assurance Statement for the 2015 Green Bond Schedule

#### External reviews of TD's corporate responsibility performance

Sustainability rankings provide a useful tool for benchmarking our progress and help focus our efforts to strengthen TD's corporate responsibility performance. The table on the next page shows improvements over time. We wish to be clear that sustainability rankings are an outcome and not the reason for our efforts.

Reviewer	2015
<b>Carbon Disclosure Project (CDP)</b>	<b>Score: 99 for disclosure</b> (out of 100) and <b>A– for performance</b> Listed on the Canada 200 Climate Disclosure Leadership Index (among top 20) TD is the top scoring Canadian financial institution among the big 5 banks. <sup>1</sup>
<b>Dow Jones Sustainability Indices</b> (RobecoSAM Score)	<b>Score: 81</b> (out of 100) Included in World Index and North American Index.
<b>Sustainalytics</b>	<b>Score: 79</b> (out of 100) <b>Position: 15</b> (out of 422 global financial peers)
<b>FTSE4Good Index Series</b>	Included
<b>Global 100 Most Sustainable Corporations</b> (Corporate Knights)	<b>Ranked 54th</b> (out of 100) in 2016 <b>Ranked 76th</b> (out of 100) in 2015
<b>Canada's Top 50 Socially Responsible Corporations</b> (Maclean's/Sustainalytics)	Included
<b>Best 50 Corporate Citizens in Canada</b> (Corporate Knights)	<b>Ranked: 12</b> (out of 50)

<sup>1</sup>Big 5 banks in Canada: Bank of Montreal, Canadian Imperial Bank of Commerce, Royal Bank of Canada and Bank of Nova Scotia.



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PDF only (05/15)

