TD's Interim Scope 1 and 2 GHG Emissions Reduction Target July 2021

The Toronto-Dominion Bank ("TD", the "Bank", "we" or "us") has a long history of contributing to a greener future, beginning with its own operations. TD was the first North American bank to become carbon neutral in 2010, and has continued to meet this goal annually. In addition, since 2015, TD has purchased renewable energy certificates to offset 100% of the greenhouse gas ("GHG") emissions associated with its electricity use (i.e., Scope 2 GHG emissions). We are proud of the environmental leadership we have shown so far, and we recognize that our journey continues. Having announced our global Climate Action Plan in 2020, we are pleased to announce the next step in our support of the transition to a low-carbon future, by establishing an **interim target to achieve an absolute reduction in GHG emissions from our operations (Scope 1 and 2 GHG emissions) by 25% by 2025, relative to a 2019 baseline[1].** We have set this interim target using a science-based approach.

TD's reported GHG emissions have been calculated according to the Greenhouse Gas Protocol (the "GHG Protocol"), a leading global standard for corporate emissions accounting. Consistent with the GHG Protocol, TD's reported emissions consist of the Scope 1 and 2 emissions from the operations of TD and its wholly-owned subsidiaries. As a global bank, TD owns and leases facilities around the world. As a result, our emissions are influenced by several factors including the energy sources of the local utility providers where we operate.

We have made significant progress to date, and already achieved important milestones in our GHG emissions reductions over the past ten years to advance our environmental goals. Continued and persistent hard work and innovation will be required to identify and implement further incremental reductions in our Scope 1 and 2 emissions to meet our 2025 target. We are committed to this challenge as we work toward achieving this important goal.

Additional details regarding the terminology, methodology and reporting periods that the Bank uses to measure and report GHG emissions, are described in TD's 2020 ESG Report, available at www.td.com.

1 TD's Scope 1 GHG emissions include direct emissions from heating and cooling, leased aircraft and corporate fleet. TD's Scope 2 GHG emissions include indirect emissions from electricity, heating and cooling. TD's 2019 baseline for its Scope 1 and 2 GHG emissions has been set in accordance with the GHG Protocol. TD has set 2019 as its baseline year as it is the most recent year that is representative of TD's typical GHG emissions profile.

Cautionary Statement

Climate-related risks are more complex and longer-term in nature than many traditional business risks. Because of the limitations inherent in climate risk reporting, the Bank has made reasonable and good faith approximations and assumptions in setting its interim Scope 1 and 2 GHG reduction target. However, there are many factors that the Bank may not foresee or that it may be unable to predict accurately, which may impact TD's ability to achieve its interim Scope 1 and Scope 2 GHG reduction target. Those factors include the availability of comprehensive and high-quality GHG emissions data, the need for active and continuing participation of stakeholders (including enterprises, financial institutions and governmental and non-governmental organizations), the development and deployment of new technologies and industry-specific solutions, international cooperation, legislative and regulatory changes and other unforeseen events or conditions. These and other factors may cause actual results to differ materially from the expectations expressed in this document and may require the Bank to adapt its interim Scope 1 and 2 GHG reduction target to reflect a changing landscape.

In particular, readers should be aware of the following:

- To set its interim Scope 1 and 2 GHG reduction target, the Bank has made reasonable and good faith assumptions, including the Bank's expectations regarding, among other things: the size of its real estate portfolio (both owned and leased), use of vehicle fleet and company aircraft by Bank personnel, business growth and development, future energy efficiencies, the ability of regulators, utility companies and energy suppliers to meet their emissions and energy efficiency targets and commitments, and the availability of a mature, liquid and economic market for carbon avoidance offsets, carbon removal offsets and renewable energy credits. Actual results may differ materially from these assumptions, and may require the Bank to adapt its interim Scope 1 and 2 GHG reduction target to reflect a changing landscape.
- TD's reported Scope 1 and 2 data reflects the emissions from the operations of the Bank and all of its wholly-owned subsidiaries, and the Bank's interim Scope 1 and 2 GHG reduction target assumes ordinary rates of growth in the business. Changes in TD's operations (including in the ownership of subsidiaries) or geographic footprint, including through moves to new buildings or material acquisitions or dispositions, could have a material effect on TD's GHG emissions. In addition, there could be changes to how the Bank measures, reports and verifies its GHG emissions. Any such changes, if material, could require TD to reset its baseline and its target.
- TD must rely on data obtained from third-party sources (including utilities that provide data on electricity usage) when reporting on GHG emissions and setting its target. Although TD retains independent third parties to review this data using a limited assurance process, TD has not verified any third-party data or assessed the underlying assumptions relied upon by such third parties, and cannot guarantee the accuracy of such data or assumptions. Any inaccuracies in the data supplied by third parties may impact the Bank's GHG inventory calculations and its reported GHG emissions.
- To achieve its interim Scope 1 and 2 GHG reduction target, TD may need to purchase GHG emissions offsets, carbon dioxide removals or similar instruments. The market for offsets and similar instruments is still developing. The maturity, liquidity and economics of the market for GHG emissions offsets, carbon dioxide removals or similar instruments may make it more difficult for TD to achieve its target. These instruments are subject to the risk of invalidation after they have been issued, and there is no assurance that any such instruments purchased by TD will not be invalidated in the future.
- Methodologies for achieving, and definitions relating to, "carbon neutral" and "net zero" emissions are continuously evolving. As a result, the Bank's use of these terms may not be comparable to similar terms used by others.

This document has been prepared to assist our stakeholders in understanding the steps we are taking to support the transition to a low-carbon future. This document is not required to be prepared or filed by the Bank under Canadian or U.S. securities laws. While the information provided in this document may be relevant and of interest to our stakeholders, it should not be read as necessarily rising to the level of materiality of disclosure required in our securities law filings. This document also contains statements that are forward-looking, and subject to the Bank's caution regarding forward-looking statements as set out in the Bank's Report to Shareholders for the quarter ended April 30, 2021, which is available at www.td.com.