RESOLVED: Shareholders request that Toronto Dominion Bank ("TD") adopt a policy of not financing new fossil fuel supply, including financing of companies exploring or developing undeveloped oil and gas reserves, by end of 2022, across all markets and regions, in alignment with pathways to limit global warming to 1.5C, and report annually to shareholders on its plans and progress towards achieving this goal.

SUPPORTING STATEMENT:

Investors recognize TD's recent climate commitments, including a net-zero by 2050 commitment, in line with the Paris Agreement, with interim targets yet to be released, as well as its membership in the Partnership for Climate Accounting Financials (PCAF).

However, TD continues to have significant exposure to fossil fuels.

TD is the ninth largest funder of fossil fuels in the world, and the seventh for most funding of new fossil fuel projects since the Paris Agreement was signed in 2015. Additionally, TD lands in the top 40 for funding coal power[1]. Continuing to fund fossil fuel companies and projects will ultimately prevent TD from reaching its net-zero commitment unless it makes significant changes.

The IPCC's 2021 report states that more than a 1.5C warming will have significant impacts on the frequency and severity of extreme weather events[2], which lead to catastrophic economic, social, health and environmental outcomes.

The International Energy Agency's (IEA) 2021 report outlining the path to net-zero by 2050 stated that, in order to achieve a maximum 1.5C warming by 2050, there must be no new development of fossil fuel assets of any kind[3].

Although TD has committed to not providing any project-specific funding in the Arctic, including the Arctic National Wildlife Refuge, it has not committed to ceasing corporate financing of the fossil fuel companies who could still develop in that region. Corporate financing accounts for 90% of all conventional oil and gas funding[4], and eliminating direct funding to specific projects does not mitigate the risk of fossil fuel expansion.

COP26 and the Glasgow Financial Alliance to Net-Zero call for "smooth but rapid decarbonization"[5] of the global financial sector. It is critical that TD protect shareholder value by leading the way on rapid decarbonization, through ending financing to new fossil fuel development, and maintain competitive advantage in the Canadian and global banking sectors.

The physical and financial risks posed by climate change to long-term investors are systemic, portfolio-wide, unhedgeable and undiversifiable. Therefore, the actions of companies that

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[1] https://www.ran.org/wp-content/uploads/2021/03/Banking-on-Climate-Chaos-2021.pdf
[2] https://www.ipcc.ch/report/ar6/wg1/downloads/report/IPCC_AR6_WGI_SPM.pdf
[3] https://www.iea.org/reports/net-zero-by-2050 pg 21
[4] https://iea.blob.core.windows.net/assets/ef8ffa01-9958-49f5-9b3b-7842e30f6177/WEI2020.pdf pg 161
[5] https://racetozero.unfccc.int/wp-content/uploads/2021/04/GFANZ.pdf pg 5

directly, or indirectly impact climate outcomes pose risks to the financial system as a whole, and to investors' entire portfolios. In order to manage this systemic portfolio risk, investors must move beyond disclosure and company-specific climate risk management frameworks, and focus on holding accountable the relatively small number of large companies whose actions are a significant driver of climate change.

Adopting a short-term policy to end fossil fuel expansion will help TD meet its net-zero goals while protecting and maintaining shareholder value.