



April 23, 2021

**TO:** Business and Human Rights Resource Centre

**RE:** Invitation to respond to the Banking on Climate Chaos Report in Business and Human Rights Resource Centre's Weekly Update

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Dear Jessie Cato and Marti Flacks:

Thank you for providing TD with the opportunity to respond to the Business and Human Rights Resource Centre's Weekly Update regarding the "Banking on Climate Chaos" report. We value and respect the diverse views held by our stakeholders and appreciate the opportunity to provide information about TD's position on the environment, climate change and human rights.

At TD, we believe that the responsible development of natural resources must balance environmental, social and economic considerations. Under the ambitious [Climate Action Plan](#) that TD launched last November, TD became the first Canadian bank to set a target to achieve net-zero greenhouse gas (GHG) emissions associated with our operations and financing activities by 2050, aligned with the associated principles of the Paris Agreement. As we work towards 2050, TD intends to establish GHG emission baselines across its business and financing portfolio and will work closely with clients as they set interim GHG reduction goals. The Bank will report on its progress starting with 2021.

To support our path to net-zero, we have joined the Partnership for Carbon Accounting Financials (PCAF) to support the development of carbon accounting methodologies for financial institutions globally. We have also entered into a strategic partnership with the Rocky Mountain Institute's Center for Climate-Aligned Finance to support the development of practical and scalable solutions that can help accelerate the transition to a more sustainable energy platform and economy. Additionally, we have committed to not provide any new project-specific financial services, including advisory services, for activities that are directly related to the exploration, development, or production of oil and gas within the Arctic Circle, including the Arctic National Wildlife Refuge (ANWR).

TD has also targeted a total of CDN \$100 billion in low-carbon lending, financing, asset management and internal corporate programs by 2030, with its contribution totaling over CDN \$56 billion over the last four years. From an economic perspective, our financing activities have supported more than 156,000 jobs and contributed approximately CDN \$27.6 billion to the GDP in Canada and the US. In 2020, we also issued an inaugural three-year US\$500 million sustainability bond, the proceeds of which will be used to finance projects with environmental and/or social benefits.

TD has various policies to address environmental and social considerations within our business:

- We manage environmental and social risk (E&S risk) based on a lifecycle approach that begins before our formal engagement with a client and continues throughout our relationship. TD's Environmental and Social Credit Risk Process for Non-Retail Credit Business Lines governs our processes for assessing risk and contains a set of due diligence tools that are applied to all non-retail lending activities. Since 2007, we have embedded the Equator Principles into our E&S risk processes.
- TD is also a supporter of the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD) recommendations and is participating in the United Nations Environment Programme Finance Initiative TCFD pilot studies to better understand the resilience of its credit, investment and insurance portfolios to climate-related impacts.
- In every country in which TD operates, we support and respect the protection of human rights. To further demonstrate our commitment, in 2020, TD released a [Statement on Human Rights](#). As part of this commitment, we recognize Indigenous rights and support the principle of free, prior and informed consent as applied in Canada in the development of new projects.

TD strongly supports the transition to a low-carbon economy and we believe that while this transition is taking place, it is important to support responsible energy development to meet the needs of the economies in which we all live and work and act as a trusted advisor to clients seeking to transition to the low-carbon economy.

As such, TD is committed to engaging in open and constructive dialogue with stakeholders and communities on environmental and social matters. We would like to note that prior to the publication of the "Banking on Climate Chaos" report, TD shared its perspective with one of the organizations affiliated with the report and we are open to continuing this dialogue with them moving forwards.

To learn more about our policies, commitments, initiatives and performance, including TD's progress on addressing climate change risks and opportunities, we encourage you to read our [2020 Environmental, Social and Governance \(ESG\) Report, 2020 Task Force on Climate-related Financial Disclosures Update and 2019 TD and Indigenous Communities in Canada Report](#).

Thank you again for writing to us.

Sincerely,



Rachel Guthrie

Head of ESG Reporting and Impact Measurement,

TD Bank Group