**Resolved:** Shareholders request that TD disclose transition activities that describe how it will align its financing with its 2030 sectoral emissions reduction targets, including specific measures and policies to be implemented, reductions to be achieved by such planned measures and policies, and timelines for implementation and associated emission reductions.

**Supporting Statement:**

This is the second year filing this proposal. Last year, 28.9% of shareholders broke with management – 23.5% voting for and 5.4% abstaining.

The core of the proposal is that TD continues to be vague regarding what actions it intends to take, or how its day-to-day business practices will change to meet its 2030 emissions reduction targets. Clearly articulated transition activities are increasingly urgent in light of the fact that TD had the largest jump of any global bank in its fossil fuel financing between 2021 and 2022, adding US$7.3 billion (34%) for a total of US$29 billion.[[1]](#footnote-0)

Since last filing, the bank continues to do a fair job of measuring its financed emissions and describing its climate governance processes. It has also set interim emissions reduction targets for its most carbon-intensive portfolios. But, we are yet to hear what it will actually do differently at the deal level and in client engagement to drive down its climate transition risk and increase exposure to climate opportunities.

Indeed, the September 2023 investor-led Transition Pathway Initiative’s global bank assessments found TD’s transition activities to be lacking, scoring TD at just 4% for its Decarbonization Strategy and 33% for the Climate Solutions category.[[2]](#footnote-1) I4PC’s 2023 Canadian Net Zero Report Card also highlights TD’s ongoing transition plan gaps.[[3]](#footnote-2)

Meanwhile, net-zero transition guidance continues to grow. Guidance was published by the IIGCC (June 2023)[[4]](#footnote-3) and UK Transition Taskforce (Nov. 2023).[[5]](#footnote-4) Both build on GFANZ guidance.[[6]](#footnote-5) Each outlines the need for banks to establish lending criteria that align with a 1.5 degree scenario and clearly defined climate solutions financing policies, among other things.

This past year we have seen other Canadian banks announce some specific transition activities. National Bank set a target to increase its renewable energy lending faster than its fossil fuel lending; CIBC began quantitatively reporting on its assessment of client transition plans; BMO established a $350 million sustainability solutions fund (vs. vague “sustainable finance” targets like TD’s Sustainable and Decarbonization Financing) and aligned its lobby policy with the Paris Agreement.

Globally, G-SIB peer banks are progressing faster. For example, HSBC committed not to finance new oil and gas fields (Dec. 2022). BNP Paribas will no longer arrange bond deals for issuers intending to use proceeds to finance new fossil-fuel exploration and production (June 2023).

By the time of TD’s 2024 AGM it will have been 3.5 years since TD made its net zero commitment, with less than 6 years remaining to hit its 2030 targets. Without greater clarity regarding what actions TD will implement, investors are concerned that TD’s transition risk continues to grow.

1. [www.bankingonclimatechaos.org/wp-content/uploads/2023/08/BOCC\_2023\_vF.pdf](https://www.bankingonclimatechaos.org/wp-content/uploads/2023/08/BOCC_2023_vF.pdf) [↑](#footnote-ref-0)
2. [www.transitionpathwayinitiative.org/banks/toronto-dominion-td](https://www.transitionpathwayinitiative.org/banks/toronto-dominion-td) [↑](#footnote-ref-1)
3. <https://www.investorsforparis.com/wp-content/uploads/2023/07/I4PC_Banks-report-card-2023.pdf> (at 13) [↑](#footnote-ref-2)
4. <https://139838633.fs1.hubspotusercontent-eu1.net/hubfs/139838633/Past%20resource%20uploads/IIGCC-Net-Zero-Standard-for-Banks-June-2023.pdf> [↑](#footnote-ref-3)
5. <https://transitiontaskforce.net/disclosure-framework/> [↑](#footnote-ref-4)
6. [www.td.com/content/dam/tdcom/canada/about-td/pdf/td-investor-2023-proxy-en.pdf](https://www.td.com/content/dam/tdcom/canada/about-td/pdf/td-investor-2023-proxy-en.pdf) (at 90) [↑](#footnote-ref-5)