

PRI in Montréal



November 4th, 2009

Max Zehrt, CFA
Sustainability Analyst

TD and the Environment – an increased focus

TD Bank Financial Group

- Carbon neutral, Green machines, the other CEO
- Recent accolades:
 - Global 100 Most Sustainable Corporations
 - 2009 Canada's Green Employer

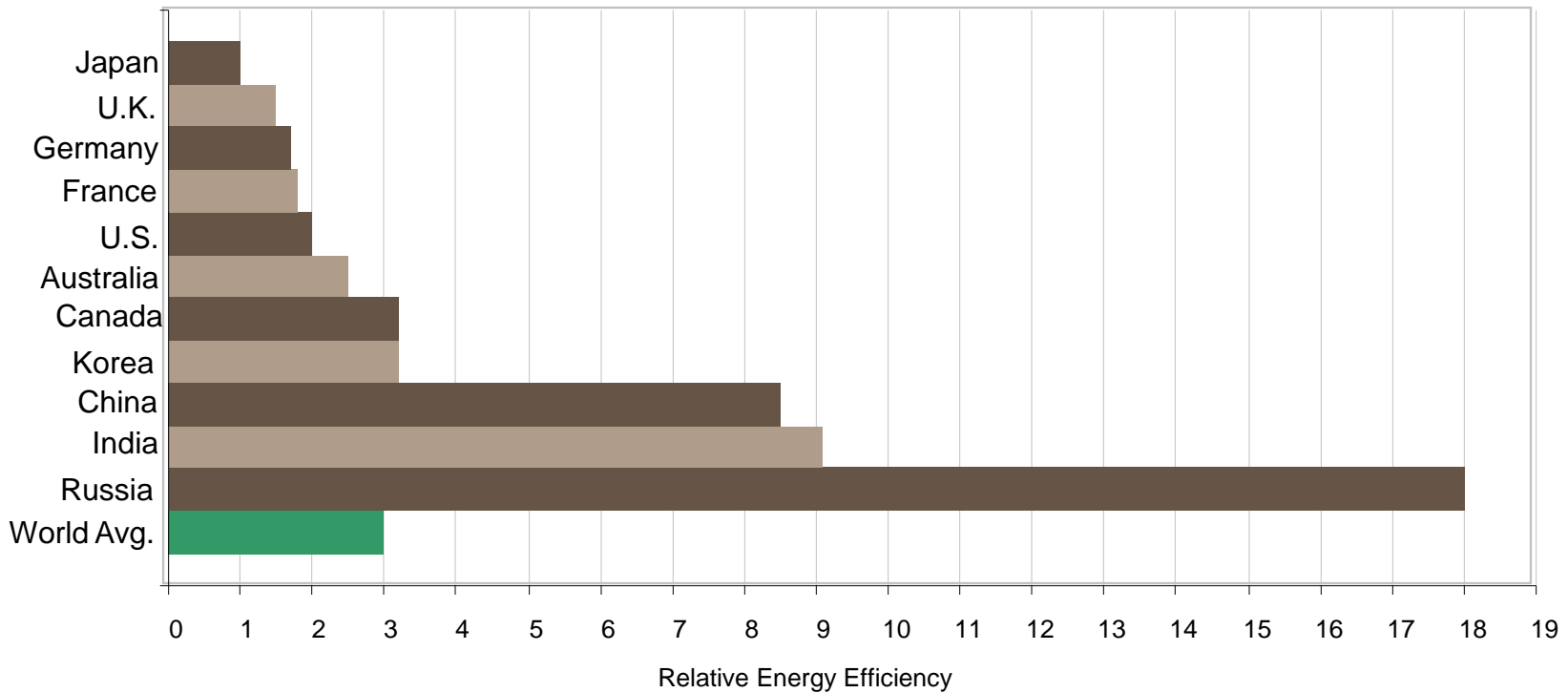


TDAM

- Signatory to the Carbon Disclosure Project
- Launch of Global Sustainability Funds
- Signatory to the UN Principles for Responsible Investment
- Sustainable Investing Policy

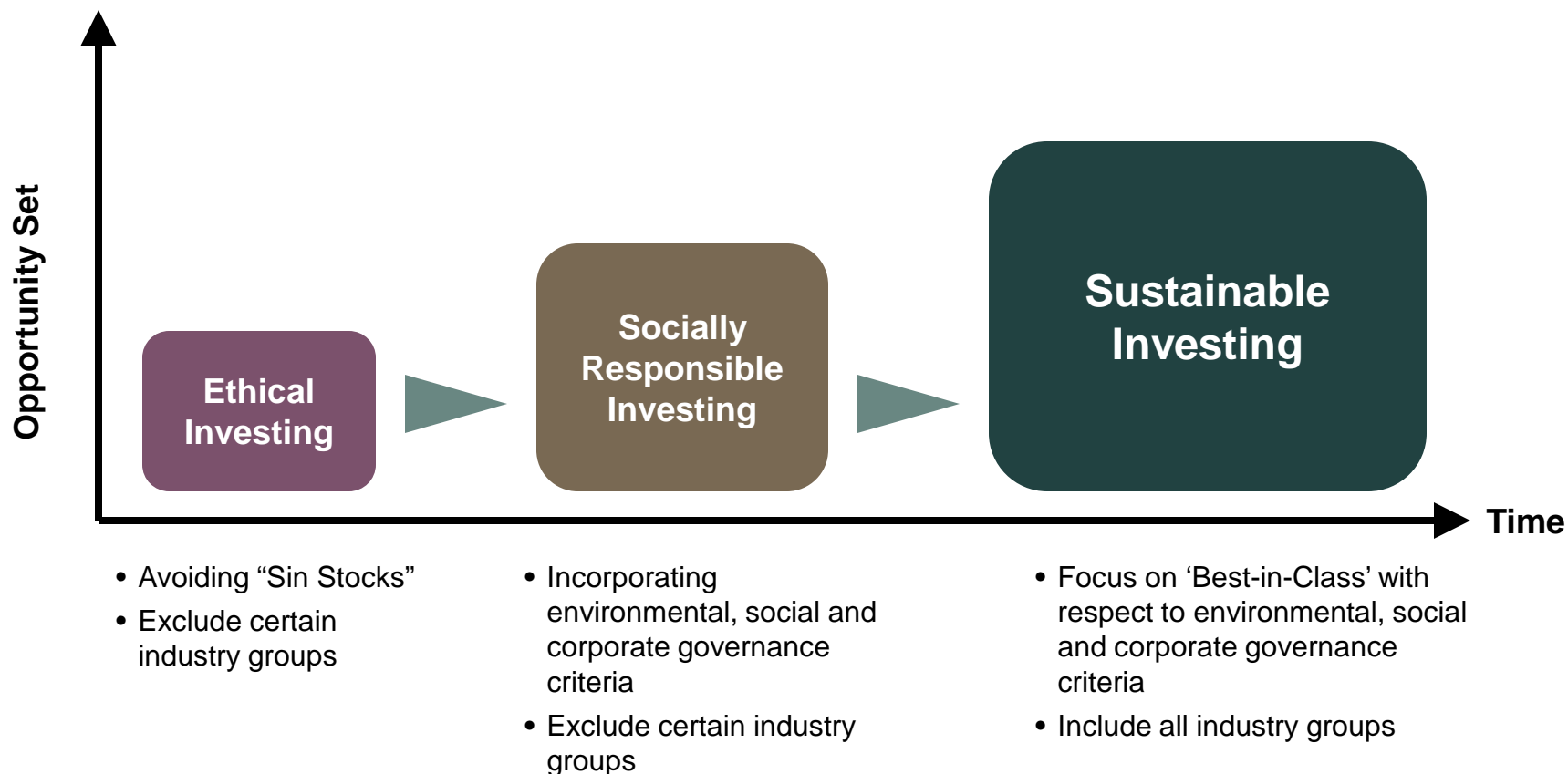
Resource Efficiency:
Seeking Leadership Globally

Energy Efficiency of Major Countries (2005)



Best-in-Class companies are found globally

Industry Overview



Sustainable investing is the natural evolution of Socially Responsible Investing

Business case - Principles for Responsible Investment

- Build on TDAM's long history of promoting good governance
- Consistent with fiduciary duty
- Provide latitude to implement in way that best suits TDAM
 - No blanket prohibitions on investing in a particular company or industry
 - May result in better risk-adjusted returns for clients
- International scope and collaboration
 - Learn from experience of leading organizations who have been working in the ESG space for years

Principle 1 - ESG Integration

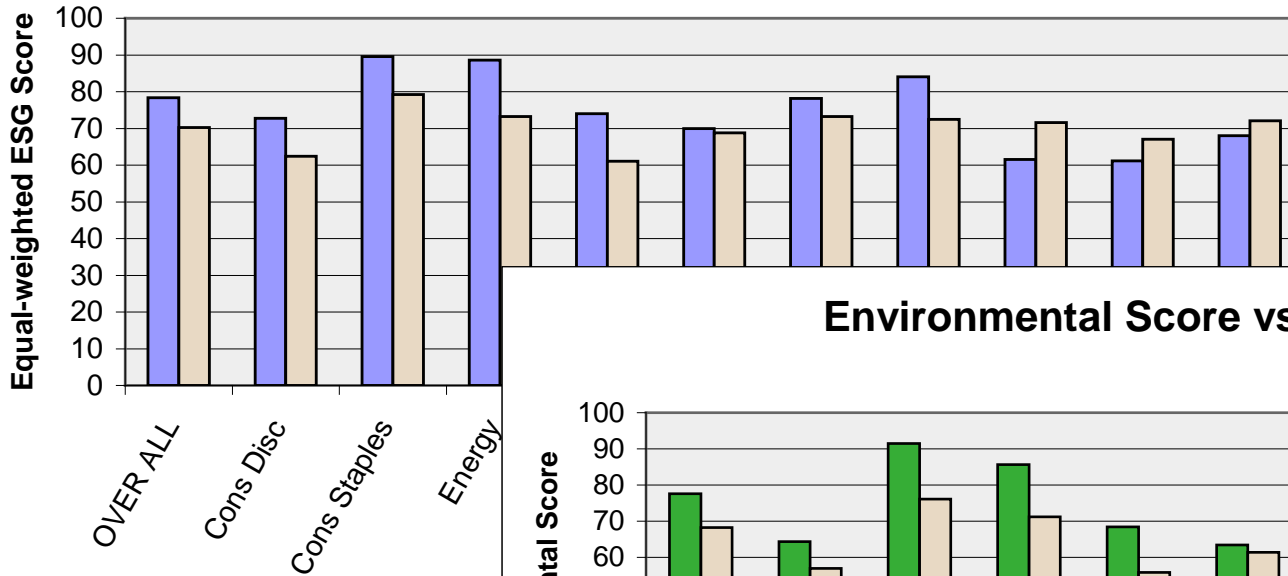
Internal ESG Matrix

- Additional tool
- Objective - provide a snapshot of how companies are managing ESG capital

Environmental Capital	Stakeholder Management	Corporate Governance
<ul style="list-style-type: none"> ➤ Sustainable Practices ➤ Resource Efficiency ➤ Emission Reduction 	<ul style="list-style-type: none"> ➤ Human Rights ➤ Employment Standards ➤ Community 	<ul style="list-style-type: none"> ➤ Shareholder Rights ➤ Board of Directors ➤ CSR Strategy

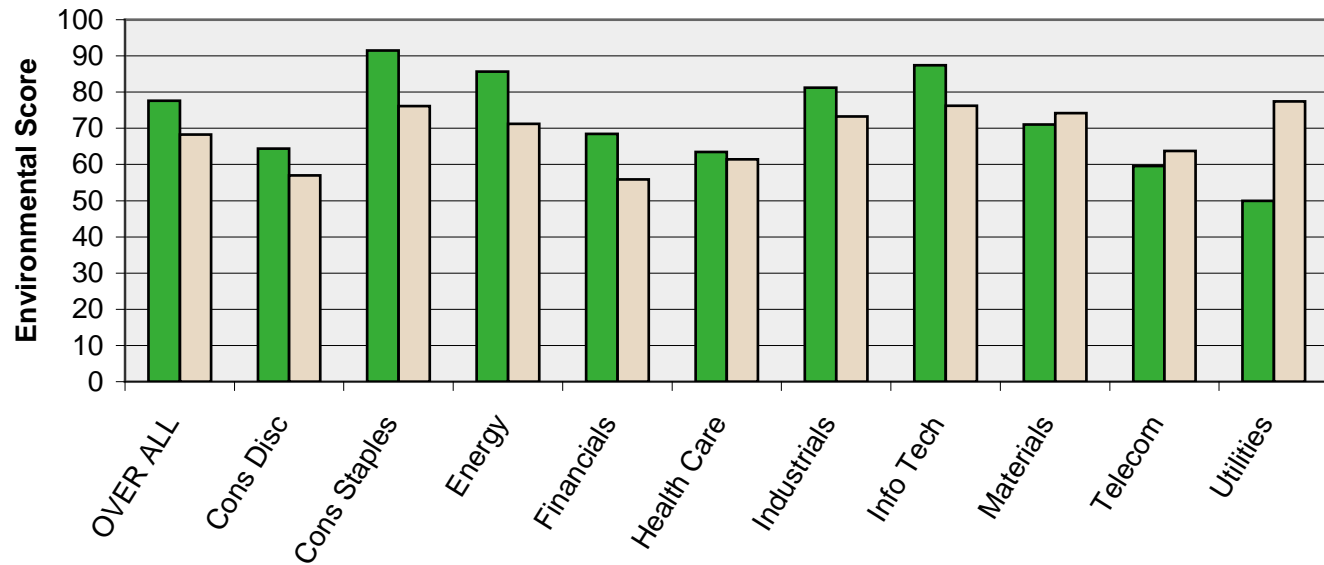
Communicating – additional lens

ESG Scores vs. Benchmark



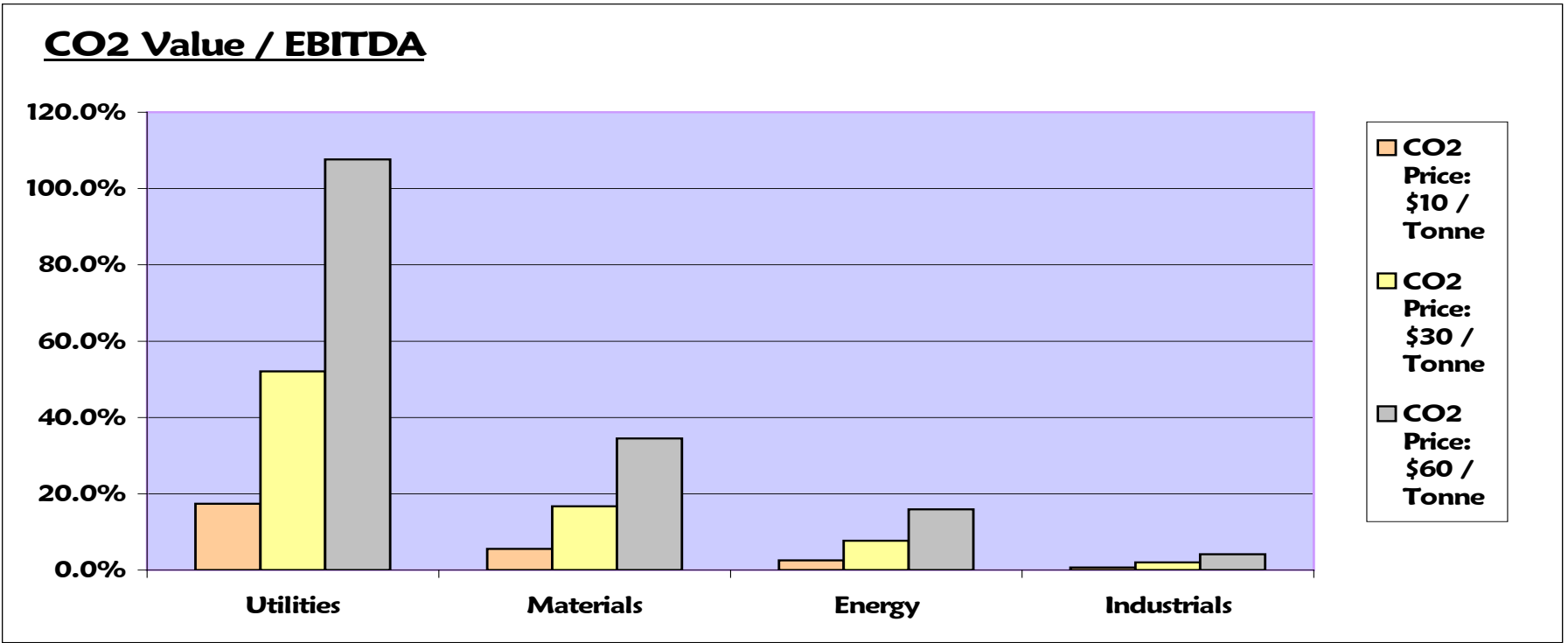
- Provide benchmark relative position of ESG scores
- Broken down by E, S, and G pillars

Environmental Score vs. Benchmark



➤ Individual company scores and attributions also available

CO2 Impact by High-Intensive Sector – S&P 500



Sectors	CO2 Price: \$10 / Tonne			CO2 Price: \$30 / Tonne			CO2 Price: \$60 / Tonne		
	CO2 / EBITDA	Min	Max	CO2 / EBITDA	Min	Max	CO2 / EBITDA	Min	Max
Utilities	17.4%	0.1%	42.7%	52.1%	0.3%	128.1%	107.6%	0.7%	264.8%
Materials	5.6%	0.6%	36.6%	16.7%	1.7%	109.8%	34.5%	3.6%	227.0%
Energy	2.6%	0.1%	8.4%	7.7%	0.4%	25.3%	15.9%	0.9%	52.3%
Industrials	0.7%	0.0%	4.0%	2.0%	0.0%	12.1%	4.1%	0.1%	25.0%

Source: Bloomberg, Asset4

Principle 2 & 3 – Active Owners and Seeking Disclosure

Engagement

- Internal Committee, CDP focus
- Proxy Voting

Report on Sustainability	Apple, Aqua America, Bed Bath & Beyond, Berkshire Hathaway, Boston Properties, Fifth Third, Las Vegas Sands, MGM Mirage, Sandisk, International Paper and Yum Brands
Report on climate change, remediation, environmental progress or recycling	Dover, Ultra Petroleum, Ameren, Danaher, Massey Energy, Avis Budget Group, Mirant, Dow Chemical
Report to the CDP	Great West Life
GHG Reduction	Exxon Mobil, Standard Pacific, Ryland Group, Lennar, International Coal Group, Ida Corp, Home Depot, Dynergy, Conoco Phillips

Observations, Challenges and Opportunities

Observations:

- ESG disclosure by companies – infancy and large-cap bias
- Reporting has increased and quality improving
- ESG signals are not homogenous or easily comparable

Challenges:

- Misconceptions and misinformation regarding Sustainable Investing
- Asset Owners need to be more proactive in asking about ESG integration
- Same for many Consultants

Opportunities:

- Solutions that incorporate ESG

Integrating ESG Analysis into product offerings
 TD Global Sustainability Fund

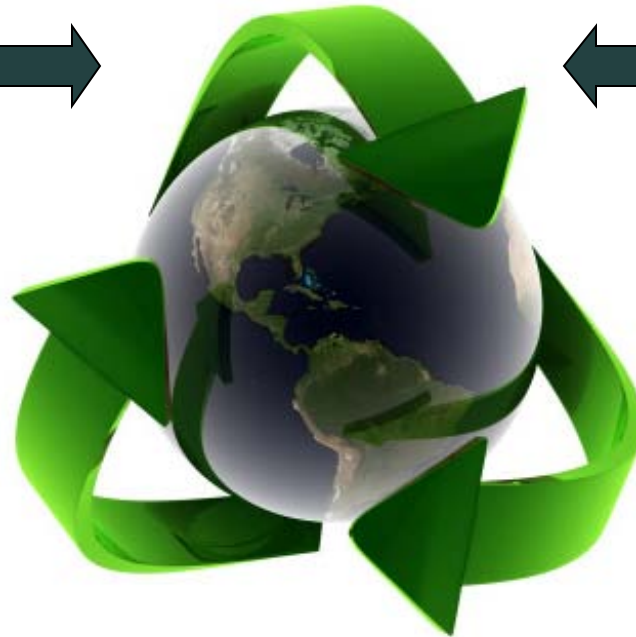
Core: Sustainability Leaders

Plus: Environmental Leaders

Global Best-in-Class

Sector leadership in ESG

- Environmental
- Social
- Governance



Water

Resource Efficiency

Alternative Energy

Portfolio that strives to embrace all emerging trends

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