

TD's Approach to Equitable Pay

Diversity, equity and inclusion are core values and strategic business priorities. Our goal is to foster a culture of inclusion and provide a working environment that is supportive of all of our colleagues – where every employee has the opportunity to realize their potential to the fullest. In keeping with these core values, we are committed to providing equitable compensation for all employees.

The foundation of our approach to equitable compensation is comprehensive and well-established programs and structures. Examples of these programs, structures and practices include:

- Compensation program eligibility, including both salary and incentive compensation, is based on role and level, and is applied consistently for all employees;
- The majority of employees are paid according to well-defined salary structures which provide a range of pay that is competitive in the market while allowing for appropriate variation to recognize individual performance, experience and capability;
- These salary structures are supported by market analysis and a robust job evaluation process that measures the content of positions and organizes jobs of similar complexity and accountability together into job levels;
- Salary structures and incentive programs are reviewed regularly with information gathered via recognized third-party compensation surveys, and adjustments are made where required to achieve appropriate outcomes, including the ability to deliver market competitive pay;
- All employees (based on jurisdiction and business) participate in the same benefits programs that offer choice and flexibility in selecting coverage for medical, dental and other benefits to help support colleague health and well-being; and
- All employees (based on jurisdiction and business) are given the opportunity to participate in the same base retirement arrangements (qualified plans in the U.S. and registered plans in Canada) to support their financial well-being in retirement.

These programs and structures are designed so that employees performing similar work have the same opportunity, supporting internal equity, while recognizing differences in experience, performance and contribution.

In support of these programs and structures, we have a number of practices to enhance consistency and verify that outcomes are appropriate. Highlights include:

- Tools used to facilitate year-end base salary and incentive decisions include guidelines to support consistency in decision-making, and additional training and other support is available to people managers.
- Year-end performance and compensation decisions go through a review process to monitor outcomes.
- We conduct detailed statistical analysis of compensation to assess potential differences in outcomes based on gender and ethnicity.

Since 2018, we have worked with a third-party provider on an annual basis to complete a detailed statistical analysis of compensation, adjusting for factors such as level, geography and role. We use these reviews to actively monitor our compensation outcomes and make adjustments, where appropriate, to further consistency and fairness across the Bank.

After adjusting for factors such as level, geography and role, our 2023 review (data is as at June 1, 2023), which included over 95,000 employees globally, found that for both base salary and total compensation:

- Women globally earned more than 99 cents for every dollar earned by men;
- Visible minorities¹ in Canada earned more than 99 cents for every dollar earned by non-visible minorities; and
- Minorities² in the U.S. earned one dollar for every dollar earned by non-minorities.

The table below provides a summary of the results of the review by position group for Canadian-based employees, comparing total compensation earned by women relative to men after adjusting for factors such as level, geography and role:

POSITION GROUP ³	TOTAL COMPENSATION ⁴ (ADJUSTED) FOR WOMEN RELATIVE TO MEN
Executive ⁵	97%
Management and Experienced Professionals ⁶	98%
Supervisory and Professionals ⁷	100%
Admin and Operations ⁸	100%
Overall	99%

¹ Based on self-identification data collected in accordance with the Employment Equity Act (Canada).

² Self-reported by colleagues.

³ This comparison includes full-time, part-time and casual employees in Canada, excluding temporary workers, Senior Executive Team members and employees that have commission-based compensation arrangements.

⁴ Total Compensation includes base salary, short-term incentives, and long-term incentives (where applicable). It includes cash and equity (value at grant date) incentive. Data is as at June 1, 2023.

⁵ Executive includes all executive levels (E01 and above), excluding Senior Executive Team members.

⁶ Management and Experienced Professionals includes level 9, level 10 and level 11.

⁷ Supervisory and Professionals includes level 7 and level 8.

⁸ Admin and Operations includes level 6 and below.



TD's Approach to Equitable Pay (continued)

Unadjusted Pay Gap

In February 2024, the Government of Canada released a new online tool to show pay gaps within federally regulated industries. This tool calculates unadjusted pay gaps for women, Indigenous Peoples, visible minorities and persons with disabilities.

Unlike the pay ratios outlined above, which adjust for factors that drive differences in pay such as level, geography and role, unadjusted pay gaps are driven by differences in representation among different groups. For example, at TD we see unadjusted pay gaps in areas of the Bank where there are more men in senior positions than women.

Our commitment to providing equitable pay is part of our comprehensive and multi-pronged diversity, equity and inclusion strategy, which includes a focus on increasing representation for under-represented groups. Additional details on the broader diversity, equity and inclusion strategy can be found on page 53 of TD's [2023 Sustainability Report](#).

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